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AN
ELEMENTARY TREATISE
ON
BOOK-KEEPING
BY
SINGLE AND DOUBLE ENTRY,
DESIGNED FOR
COMMON SCHOOLS:

CONTAINING
*Four Sets of Books by Single Entry, and Six Sets by
Double Entry.*

BY
S. W. CRAFTENDEN, ACCOUNTANT,
AUTHOR OF "AN EFFECTIVE AND PRACTICAL TREATISE ON BOOK-KEEPING," COUNTING-HOUSE AND
HIGH-SCHOOL EDITIONS.

PHILADELPHIA:
E. C. & J. BIDDLE, 6 SOUTH FIFTH STREET.

REPRODUCED BY L. JOHNSON & CO,
1852.

KE10072

CRITTENDEN'S BOOK-KEEPING.

COUNTING-HOUSE EDITION.

From the character of the gentlemen whose signatures are affixed to the opinion given below, and the high standing of the commercial houses which they represent, the publishers feel assured that no stronger testimony to the merits of the work can be given, and they therefore submit it alone.

Opinion of Practical Accountants.

We, the undersigned, have carefully examined "An Inductive and Practical Treatise on Book-keeping by Single and Double Entry," by S. W. Crittenden, Accountant, and are free to bestow upon it our unqualified commendation. It is well suited for a text-book for the teacher, a guide for the learner, and a book of reference for the practical accountant.

The elementary portion is simple, clear, comprehensive, and so gradually progressive that each want and difficulty of the student appears to be successfully anticipated, while such definite and satisfactory reasons are given for each progressive step as to furnish the basis for further advancement.

The questions for review, which are interspersed through the work, afford to teachers a ready method of testing the amount of knowledge acquired by their pupils, while they serve to fix previous instruction more firmly in the mind.

But the chief excellence of the treatise consists, in our estimation, in its PRE-EMINENTLY PRACTICAL character; the author having obtained, from practical accountants in some of the most systematic and best-regulated Houses of our large cities, the various LABOR-*SAVING* methods which long experience had suggested for their adoption, and incorporated them with his own theory and practice, thereby furnishing the most advantageous forms of books for various kinds of business. These PRACTICAL FORMS embrace two different methods of keeping books (by double-entry) for Jobbing Houses, one for Foreign Shipping Business, one for Commission Houses, one for an extensive and one for a small Retail Business, and a form for Professional Men or Mechanics, besides a *fac simile* of Western Steamboating Business.

On the whole, we think this by far the most complete work we have examined on the subject.

Philadelphia, March, 1850.

WILLIAM B. JOHNSTON, *of firm of Caleb Cope & Co., 165 Market St.*

BENJ. F. DEWEES, *Book-keeper for M. L. Hallowell & Co., 143 Market St.*

JOS. P. HUTCHINSON, *Book-keeper for Siter, Price & Co., 133 Market St.*

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THOMAS KIMBER, JR., *of Hacker, Lea & Co.*

B. WYATT WISTAR, *Book-keeper for John Farnum & Co.*

[Signatures to "Opinion of Practical Accountants" continued.]

New York, March, 1850

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C. W. HUBBELL, *Book-keeper to Lee & Brewster, 44 Cedar St.*
HENRY MCKAY, *Book-keeper to A. T. Stewart & Co., Broadway and Reade St.*
N. S. OGDEN, *Cashier of Phoenix Bank.*
R. WITHERS, *Cashier of Bank of the State of New York.*
WM. P. BRINTNALL, *with Francis Skinner & Co., New York, Branch of F. Skinner & Co., Boston.*

Boston, April, 1850.

- CHARLES H. PARKER, *of A. & A. Lawrence & Co.*
GILMAN COLLAMORE, *Book-keeper to R. G. Shaw & Co., 51 Commercial Wharf.*
J. W. BOURNE, *Book-keeper to J. W. Paige & Co.*
JOHN C. J. BROWN, *Book-keeper with S. Frothingham, Jr. & Co.*
JOS. MURDOCK, *Book-keeper to Read, Chadwick & Dexter, 29 Milk St.*

Baltimore, April, 1850.

- I. DYKES, *Book-keeper to Wyman, Appleton & Co.*
J. ROLLIN BESTOR, *Book-keeper for Duvall, Rogers & Co., 281 Market St.*
CHARLES B. TYSON, *Book-keeper to Duvall, Keighler & Co.*

Cincinnati, May, 1850.

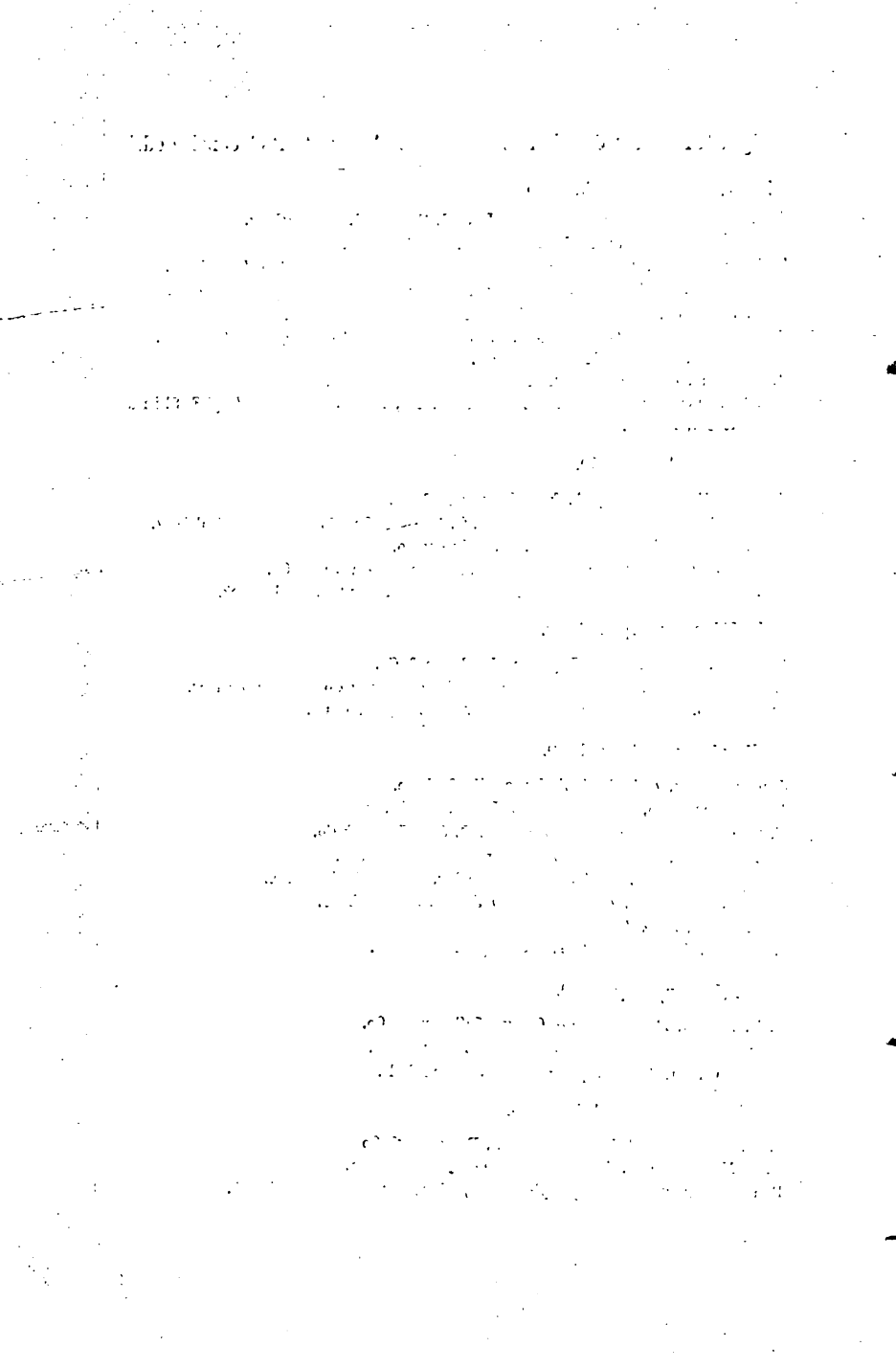
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F. G. HUNTINGTON, *Book-keeper for J. D. & C. Jones & Co.*
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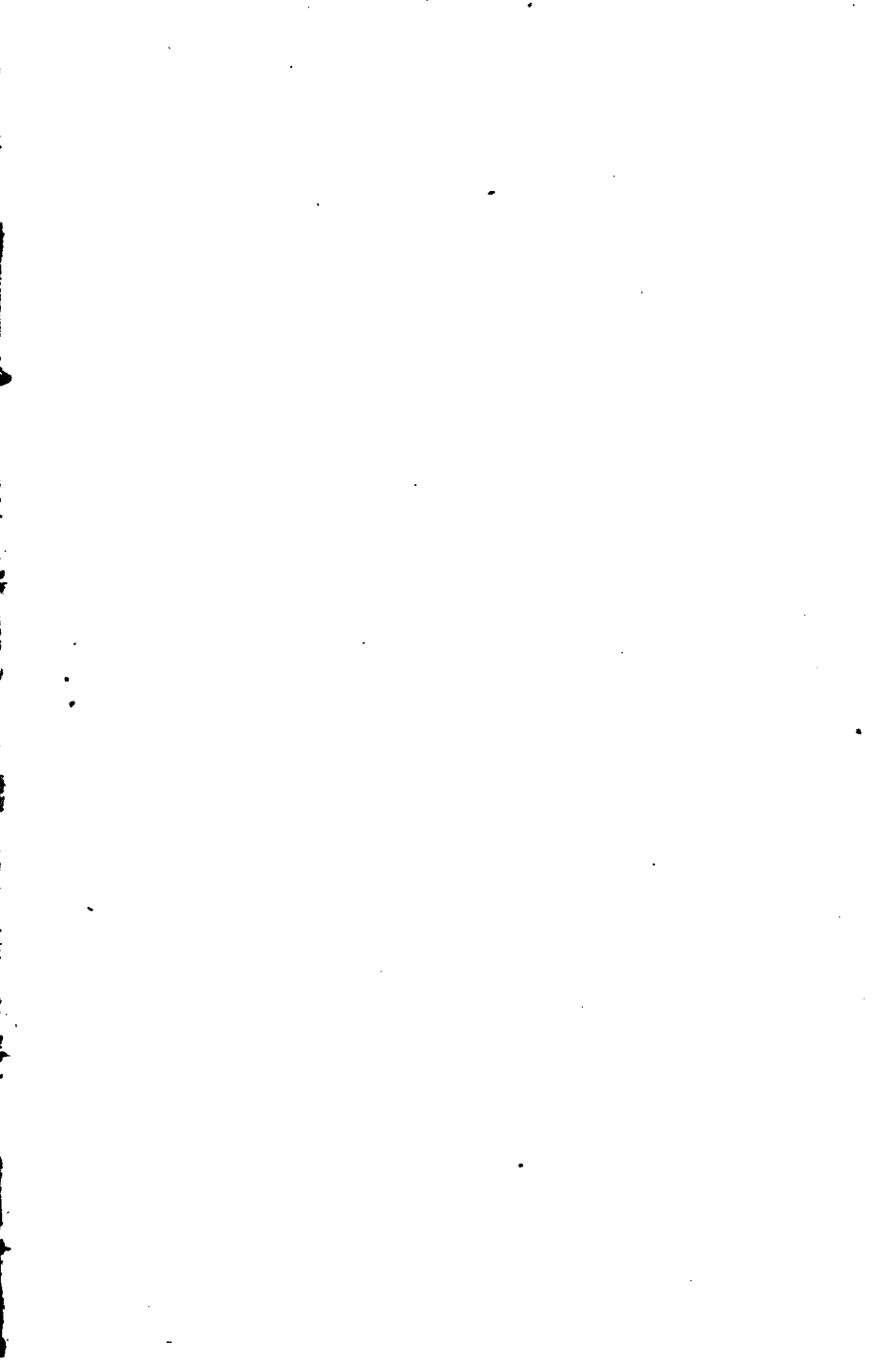
St. Louis, May, 1850.

- C. Y. LYMAN, *Book-keeper to Crow, McCreery & Co.*
JOHN SHARP, *Book-keeper to Woods, Christy & Co.*
HENRY CABOT, *Book-keeper to R. & W. Campbell.*

New Orleans, July, 1850.

- J. M. BURKE, *Book-keeper to Fearn, Donegan & Co*
R. S. McREYNOLDS, *Book-keeper to Lowe & Pattison.*
P. PRUDHOMME, *Book-keeper for Moon, Titus & Co., 122 Gravier St.*







AN
ELEMENTARY TREATISE
ON
BOOK-KEEPING

BY
SINGLE AND DOUBLE ENTRY,

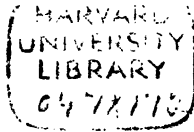
DESIGNED FOR
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PHILADELPHIA:
E. C. & J. BIDDLE, 6 SOUTH FIFTH STREET.
STEREOTYPED BY L. JOHNSON & CO.
1853.

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Entered according to Act of Congress, in the year 1852, by
S. W. CRITTENDEN,
in the Clerk's Office of the District Court for the Eastern District of
Pennsylvania.

Printed by T. K. & P. G. Collins.

 E. C. & J. B. publish a KEY to this work, designed for the use of Teachers :
also, BLANK BOOKS, adapted by their ruling and quantity of paper to the several
sets of books in this work, and containing instructions to the pupil, for his guidance
in writing his exercises.

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PREFACE.

It is now more than seven years since the author of this volume first appeared before the public, as author of a treatise on Book-Keeping designed for the Counting-House, with an abridgment of the same for Academies and Higher Schools. Large numbers of both editions of this work have been sold, in almost every section of the United States, and the sales are every year increasing. In addition to the gratification arising from so flattering a reception of his productions, the author has also the pleasurable conviction that the importance of a knowledge of accounts to every business-man is becoming more generally appreciated, and that, within a few years past, the science has received far greater attention as a necessary and fundamental branch of education.

It is now being rapidly introduced, not only into our Academical course of instruction, but into that of our Common schools; and there seems to be a demand for an *elementary treatise* on the subject, suited to the capacities of pupils from twelve to sixteen years of age. To meet this demand has been the object of the author in the preparation of the present work.

Pursuing the general plan adopted in his larger treatise, he has endeavored to simplify the illustrations, and amplify the explanations, so as to bring the subject within the grasp of any boy or girl who has obtained sufficient knowledge of arithmetic to be able to make the calculations which are found in the book. At the same time, he has been careful to use the language and phraseology of business-men, rather than a childish dialect; and to select for examples transactions of some importance, such as would occur between man and man, rather than the petty transactions of schoolboys. He has also freely introduced commercial terms, phrases, and modes of expression, explaining them when necessary:—deeming it preferable, by thus familiarizing the pupil with proper business habits, and correct modes of thinking and speaking, to elevate his comprehension to the language, and not to depress the language to his comprehension. The following are the prominent characteristics of this work, in some of which it differs from the larger treatise of the author, and in most of them from any other publication on the subject.

1. Each set of books is so short that the pupil will be enabled to comprehend and trace out the connection between corresponding entries

PREFACE.

in the several account books of the set, and will not become fatigued with the extent of his business before ascertaining its result.

2. A sufficient number of sets is given to illustrate the *opening* and *closing* of books, both individual and partnership, under the various positions of gains and losses, capital and insolvency.
3. Plain and philosophical principles, to guide the reasoning faculties, are presented, instead of mere arbitrary directions and unnecessary classifications: and in the Double Entry, all elucidations of debits and credits are based on one *general rule deduced from the definition of debtor and creditor*.
4. The entries are so classified as to bring those of a similar nature or of a directly opposite nature together, and thus to impress them upon the mind by strong *similarities* and *contrasts*.
5. Each successive exercise is intended to be a step of progress in the science, but yet so short and easy a step that what has already been explained shall be inductive thereto, and aid in its achievement.
6. The Day-Book, or original history of transactions, is all that is furnished for several sets, to prevent the possibility of merely copying, and to compel the pupil to depend upon his own mental resources for his entries. Trial Balances, and other proofs, are however given to test the correctness of his work.
7. Each set is followed with questions for review, which will afford teachers an opportunity of ascertaining the amount of knowledge which their pupils have acquired, and will aid the pupil in fixing that knowledge permanently in his mind.
8. A *Key* to the work has been prepared for the use of teachers, which contains all the different Journals, Ledgers, Balance Sheets, &c., that are omitted in the treatise itself.
9. *Blank books*, for writing up the sets, with printed explanations, also accompany the work.
10. This work is arranged with special reference to the larger treatise of the author, and forms a good introduction to the study of either the Counting-House or High-School editions.

The author hereby acknowledges the kind patronage of the public, and the valuable assistance of several of his friends, in the collection (from actual business transactions) of details for his former and present treatises.

S. W. C.

BRIEF PLAN OF THE WORK.

THIS work embraces illustrations of accounts kept by both Single and Double Entry. In the Single Entry, four sets of books are shown, containing entries for four different kinds of business. Each set is preceded by explanatory remarks, descriptions of the books used, &c., and followed by deductions and questions for review.

In the Double Entry are three different methods of keeping books. The first is the Italian method, so called from its supposed origin; and in this, three sets of books are given. The second is a method of dispensing with the Journal, and using a Day-Book in Journal form:—two sets are thus shown. The third method, embraced in Set VI, is a plan for *journalizing monthly*, and will be found to be a truly practical method, and one that is much used in many kinds of business. Full explanations of the nature and use of the different books belonging to each set; the manner of opening and closing the Leger for individual or partnership business, commencing with capital or without capital, and winding up with gains or losses—capital or insolvency; directions for writing up the books, and also for the detection and correction of errors; questions for review; Balance Sheets, with instructions how to make them out; a discussion of the nature and object of the different Leger accounts, their modes of treatment, and the manner in which each is closed; and examples of the various Auxiliary books needed, will all be found in their appropriate places, and may be readily referred to by means of the Table of Contents, pages 3 and 4.

This volume and the two editions of the larger treatise are intended to form a connected series, as follows:—

1. Crittenden's Elementary Book-Keeping: for Common Schools.
2. " Book-Keeping: High-School Edition.
3. " " Counting-House Edition.

The title of each volume, as given above, so distinctly characterizes the particular class for whom it is designed, that any further reference to the subject would appear superfluous. The pupil, in his progress from the Common or Grammar School, through the High School or Academy, to the active pursuits of commercial life in more mature years, will, it is believed, find in the several volumes of the series information adapted to his capacity and wants at the several periods named. The leading,

BRIEF PLAN.

distinctive characteristics of the last two volumes of the series are as follows:—

The *High School edition* contains, among other matters, in addition to what is in the Common School edition, a set of books illustrating Domestic Shipping business, and one illustrating Foreign Shipping and Commission business.

The *Counting-House edition* contains, in addition to what is in the High-School edition, a set of Steamboat books; *six different practical forms, or shortened methods for keeping books*, suited to Mechanical, Professional, Retail, Wholesale, Jobbing, Manufacturing and Commission business, and numerous commercial calculations, a knowledge of which is necessary to the practical accountant.

One word as to the *style* used by the author in this work. Knowing, from experience, the great advantages to be derived from adopting the *direct address* in teaching, he has, at the risk of incurring the charge of *egotism*, made use of pronouns of the first and second person, (I and You,) instead of the third person; and is confident that those who peruse with a desire to obtain information will be pleased that all formality has thus been laid aside, and the *conversational style* adopted in its stead. To those whose sole object is *criticism*, it need only be said, the book was not written for their pleasure.

VOCABULARY

OF

ABBREVIATIONS, CHARACTERS, AND MERCANTILE TERMS,

USED IN THE WORK.

ABBREVIATIONS.

<i>Adv.</i>	Adventure.	<i>fr.</i>	From.
<i>Ac't</i>	Account.	<i>Fr't</i>	Freight.
<i>Am't</i>	Amount.	<i>Gal.</i>	Gallon.
<i>Ans.</i>	Answer.	<i>Guar.</i>	Guarantee.
<i>Apr.</i>	April.	<i>Hhd.</i>	Hogshead.
<i>Ass'd or As'd</i>	Assorted.	<i>I.-B.</i>	Invoice-Book.
<i>Aug.</i>	August.	<i>i. e.</i>	[Id est.] That is.
<i>Bal.</i>	Balance.	<i>Ins.</i>	Insurance.
<i>B.-B.</i>	Bill-Book, Bank-Book.	<i>Insol.</i>	Insolvency.
<i>Bbl.</i>	Barrel.	<i>inst.</i>	[Instant.] The present month.
<i>Bills Pay.</i>	Bills Payable.	<i>Int.</i>	Interest.
<i>Bills Rec.</i>	Bills Receivable.	<i>Inv't</i>	Inventory.
<i>B't</i>	Bank.	<i>Jan.</i>	January.
<i>Blk.</i>	Black.	<i>Jour.</i>	Journal.
<i>Bo't</i>	Bought.	<i>J. F.</i>	Journal folio.
<i>Bro't</i>	Brought.	<i>Lab.</i>	Labor.
<i>Cap.</i>	Capital.	<i>lbs.</i>	Pounds.
<i>C.-B.</i>	Cash-Book.	<i>L. F.</i>	Leger folio.
<i>Co.</i>	Company.	<i>Mar.</i>	March.
<i>Col'd</i>	Colored.	<i>Mdse.</i>	Merchandise.
<i>Com.</i>	Commission, Commerce.	<i>m. or mo.</i>	Month.
<i>Cons't</i>	Consignment.	<i>Mols.</i>	Molasses.
<i>Cr.</i>	Creditor.	<i>N. B.</i>	[Nota Bene.] Take notice.
<i>D.-B.</i>	Day-Book.	<i>No.</i>	Number.
<i>Dec.</i>	December.	<i>Nov.</i>	November.
<i>Dep.</i>	Deposited.	<i>Oct.</i>	October.
<i>D'ft</i>	Draft.	<i>O.-I.-B.</i>	Outward-Invoice-Book.
<i>Dis.</i>	Discount.	<i>p.</i>	Page.
<i>Do.</i>	[Ditto.] The same.	<i>Pay't</i>	Payment.
<i>Doz.</i>	Dozen.	<i>P.-C.-B.</i>	Petty-Cash-Book.
<i>Dr.</i>	Debtor.	<i>P'ch's</i>	Purchases.
<i>Dray.</i>	Drayage.	<i>P'd</i>	Paid.
<i>d's</i>	Days.	<i>P'kg's</i>	Packages.
<i>ea.</i>	Each.	<i>P. & L.</i>	Profit & Loss.
<i>E. E.</i>	Errors excepted.	<i>Per.</i>	Personal.
<i>E. & O. E.</i>	Errors & omissions excepted.	<i>Pr.</i>	Pair.
<i>Emb'd</i>	Embroidered.	<i>pr.</i>	[Per.] By.
<i>Eng.</i>	English.	<i>pr. ct.</i>	[Per centum.] By the hundred.
<i>Ent.</i>	Entry.	<i>Prem.</i>	Premium.
<i>Ex.</i>	Example.	<i>Prof.</i>	Profit.
<i>Exch.</i>	Exchange.	<i>prox.</i>	[Proximo.] The next month.
<i>Exp's</i>	Expenses.	<i>Ps.</i>	Pieces.
<i>fav.</i>	Favor.	<i>Rec'd</i>	Received.
<i>Feb.</i>	February.	<i>R.-R.</i>	Rail-road.
<i>Fig'd</i>	Figured.		
<i>fol.</i>	Folio.		
<i>Forw'd</i>	Forward.		
<i>Fr.</i>	French.		

VOCABULARY.

<i>S.-B.</i>	Sales-Book.			CHARACTERS.
<i>Sept.</i>	September.	@	At.	
<i>Sh.</i>	Share.	%	Account.	
<i>Ship't</i>	Shipment.	¢	Cents.	
<i>St'v't</i>	Steamboat.	%	[Per centum.] By the hundred.	
<i>Stor.</i>	Storage.	#	Number.	
<i>Sund's</i>	Sundries.	+	Sign of addition.	
<i>Super. or S. F.</i>	Superfine.	—	" " subtraction.	
<i>ult.</i>	[Ultimo.] The last month.	×	" " multiplication.	
<i>vis.</i>	[Videlicet.] To wit—namely.	÷	" " division.	
<i>vs.</i>	[Versus.] Against.	=	" " equality.	
<i>Weigh.</i>	Weighing.	"	[Ditto.] The same.	
<i>Yds.</i>	Yards.	1 ¹	One & one-quarter.	
<i>yr.</i>	Year.	1 ²	One & one-half.	
		1 ³	One & three-quarters.	

MERCANTILE TERMS.

Abatement, a deduction or discount for damages on goods, or for payment of demands before due, etc.

Acceptance, 1st. The receiving of a bill of exchange or order, in such a way as to bind the acceptor to payment. It consists in the acceptor's writing across the face of the bill "Accepted" and signing his name. If drawn payable at a certain number of days sight, the date of acceptance should also be given. 2d. A bill of exchange accepted.

Accommodation, a loan of money. When applied to bills of exchange it is where the drawee lends his name for the use of the drawer.

Account-Current, an exhibit in detail of a running account between two or more parties.

Account-Sales, an exhibit of the sales of goods disposed of on commission.

Ad valorem, according to value. An *ad valorem* duty is a certain percentage on the first cost, or invoice price.

Advance, additional price; profit; premium. Money paid on property or goods expected, or on goods held in possession for security.

Adventure, goods sent to a distance to be sold on commission. Any speculation in Co.

Advice, mercantile intelligence.

Annuity, a sum of money payable periodically, usually yearly.

Ante-date, to date before the present time; to date beforehand.

Arbitration, the hearing and determination of a cause between parties in controversy, by a person or persons chosen for the purpose. A hearing before arbitrators though they make no award.

Assets, available means for payment of debts; goods, estate, and indebtedness of others.

Assignee, one to whom an assignment is made. One appointed or deputed for some specific purpose.

Assignment, conditional transfer of property to another. The property so transferred.

Assignor, one who makes an assignment.

Attachment, a claim on property legally executed.

Average, sums allowed for losses at sea. A medium time found by equation.

Balance, to close an account in the Leger. Difference between the debits and credits.

An account in the Leger, into which all balances are closed.

Bankrupt, insolvent. One unable to pay his debts.

Bill, or *Bill of Parcels*, a statement in detail of goods bought or sold.

Bills, a term applied to drafts, notes, etc.

Bill of Entry, a list of goods entered at the Custom-house.

Bill of Exchange, an order for the payment of money; usually applied to drafts on persons in another state or country from the drawer.

Bill of Lading, a written account of goods shipped, having the signature of the master of the vessel on which shipped.

Bill of Sale, a contract, under seal, for the sale of goods.

Bill of Store, a Custom-house license for carrying to sea ship-stores and provisions free of duty.

Blank Credit, permission granted by one house to another to draw on it at pleasure to a specified amount.

VOCABULARY.

Bona fide, in good faith.

Bond, a note. An obligation or deed by which a person binds himself, his heirs, executors, and administrators, to pay a certain sum on or before a certain day.

Bonded goods, those for the duties on which bonds are given at the Custom-house.

Bottomry Bond, a mortgage or lien upon a vessel.

Broker, a money or stock trader. Factor; agent.

Brokerage, a percentage for the purchase and sale of money and stocks.

Capital, stock in trade.

Cargo, the lading or freight of a vessel.

Catty, a Chinese weight of 1½ lbs. avoirdupois.

Carrying trade, the transportation of goods by vessels from country to country.

Charter-party, a written agreement between the owner of a vessel and the person to whom she is chartered.

Circular letter, a printed notice issued by a house, relative to its business.

Clearing a vessel, entering at the Custom-house all particulars relating to her when she is ready to sail, and paying clearance charges.

Clearance, a certificate from a Custom-house that a vessel has been cleared.

Closing an account, making an entry to balance it, and drawing lines underneath to indicate that it is closed.

Cocket, a Custom-house warrant to show that goods have been entered.

Commission, a percentage allowed for the sale of goods.

Compound, to settle with a creditor by agreement, and discharge a debt by paying a part of its amount.

Compromise, an adjustment of differences by mutual concessions.

Consignee, one to whom goods or wares are consigned.

Consignment, goods sent to an agent to be sold for the consignor.

Consignor, the person making a consignment.

Contraband goods, articles prohibited by law to be imported or exported.

Contra, on the other side; opposite.

Convoy, ships of war sailing with other vessels as a protection.

Co-partnership, the union of two or more persons for purposes of trade.

Counter order, a revocation of a former order.

Credit, that side of an account which shows the amount due to the person or thing represented. The amount of confidence reposed in another.

Custom-house, the house where vessels are entered and cleared, and where the duties on goods are paid.

Days of grace, the days allowed for the payment of a bill after it becomes due. In the United States, and in Great Britain and her dependencies, the number of days of grace is three; but it varies very much in other commercial states, reaching 30 days in Genoa, there being none allowed at Leghorn. Bills drawn at sight are usually paid when presented, without grace.

Debiture, drawback of duties on goods imported, when afterward exported according to law.

Debit, that side of an account which shows the indebtedness of the person or thing represented.

Defalcation, deduction; diminution. That which is deducted or cut off.

Demurrage, forfeit money for detaining a vessel beyond the time specified in her Charter-party.

Depot, a place where goods are deposited; a depository; a magazine.

Deviation, the voluntary departure of a vessel, without necessity, from the regular and usual course of the specific voyage insured, which frees the underwriters from obligation.

Discount, any deduction from the stipulated price of goods, or from a sum due or to be due at a future time.

Dividend, gains on stock, shares in trade, etc.

Dock, a place to build, repair, or lodge vessels.

Draft, an order from one person on another for the payment of money; a bill of exchange.

Drawer, the one who draws a bill or draft on another. The maker of a note.

Drawee, the person on whom a bill is drawn.

Drawback, amount paid back. Any loss of advantage, or deduction from profit.

Duplicate, a copy.

Duty, a government tax on exported or imported goods.

VOCABULARY.

Effects, money, property on hand, and debts due.

Ell Flemish (*E. Fl.*), a measure of $\frac{1}{2}$ yd.

Embargo, a restraint on ships by Government; or prohibition of sailing either out of port, or into port, or both.

Emporium, a mart. A town or city of trade; particularly a commercial city.

Endorne, to write one's name on the back of a bill; to become obligated for its payment.

Entry, a record made in an account book. The depositing of a ship's papers at the Custom-house, to procure license to land goods.

Engross, to monopolize; to purchase the whole or large quantities of commodities, in market, so as to enhance the price.

Equity of redemption, the advantage allowed to a mortgager, of a reasonable time to redeem lands mortgaged.

Exchange, the giving of one commodity for another. The place where merchants, bankers, and brokers meet, at certain hours, to transact business. Discount and premium arising from the purchase and sale of bills and money.

Face, the amount for which a bill is drawn.

Fac-Simile, an exact copy.

Factor, an agent employed by merchants to buy and sell, or transact business, on their account.

Failure, a breaking or becoming insolvent.

Favor, a bill is said to be drawn in *favor* of the person to whom it is payable.

Finance, or *Finances*, revenue; funds in the public treasury. The resources or income of individuals.

Financier, one skilled in money matters. A revenue officer.

Firm, the name or title under which a Co. transact business; a partnership, or house.

Flat, low, [as to the prices of goods;] or dull, [as to sales.]

Foreclose, to *foreclose* a mortgage is to cut a mortgager off from his equity of redemption.

Folio, page of an account book; both the right and left hand pages expressed by the same figure.

Freight, lading; that which is carried by water. Sum charged by a vessel for the transportation of goods.

Guarantee, or *Guaranty*, indemnity or security against loss; a pledge for the fulfilment of stipulations; one who binds himself to see the stipulations of another performed.

Grace, see *Days of grace*.

Honor, as applied to drafts, means to accept and pay when due.

Hypothecate, to pledge; to give as security.

Hypothecated, pledged, as security for money borrowed.

Importation, the bringing of goods from another country to one's own country. The commodities imported.

Insurance, security against loss. The premium paid for insuring property or life.

Insolvent, not having money, goods, or estate sufficient to pay all debts. A debtor unable to pay his debts.

Instalment, a part of a sum of money paid, or to be paid, at a particular period.

Interest, a percentage paid for the use of money.

International, relating to the mutual intercourse between different nations.

Inventory, an account in detail of property.

Invoice, see *Inventory*. *Inventory* is generally applied to a catalogue of goods on hand;

Invoice, to goods purchased, received from abroad, or about to be shipped.

Land Waiter, a Custom-house officer whose duty it is to wait or attend on the landing of goods.

Lease, a contract granting possession of property for a stipulated time.

Letter of Attorney, a writing by which one person authorizes another to act in his stead.

Letter of Credit, a letter authorizing one person to receive funds on the credit of another.

Letter of License, a written permission to a person under embarrassment to conduct his business for a time without molestation.

Letter of Marque, a written commission or authority given by government to private vessels, to make reprisals on the vessels of another nation.

Liabilities, debts of an individual, or claims against him.

License, a legal permit to sell certain articles of merchandise.

Lien, legal claim, as a lien upon land, houses, &c.

VOCABULARY.

Lighter, a craft used to lighten vessels in shoal water.

Lighterage, a charge for carrying goods to and from a vessel in a lighter.

Liquidation, the act of adjusting and paying debts.

Manifest, an exhibit of a vessel's cargo.

Mart, a place of public sale and traffic.

Maturity, the time when a bill falls due.

Maximum, the highest price of an article.

Merchandise, the usual articles of trade.

Minimum, the lowest price of an article.

Mint, a place where money is coined.

Mortgage, the grant of an estate in fee, as security for the payment of money.

Mortgager, the person who grants or pledges property, for security of debt.

Mortgagee, the person to whom an estate is mortgaged.

Net proceeds, the remainder after deducting all charges from the amount of gross sales.

Net weight, the weight of a commodity after deducting tare, and all other allowances.

Non claim, a failure to claim within the time limited by law. Omission of claim.

Notary, or *Notary Public*, a person legally authorized to attest contracts, or writings of any kind; also to take note of the non-payment of bills, promissory notes, &c., which is called protesting.

Note, a written obligation to pay money. A memorandum.

Obligation, indebtedness. A bond, with a consideration annexed, and a penalty for non-fulfilment.

Obligee, the person to whom another is bound.

Obligor, the person who binds himself, or gives his bond to another.

Order, a request to deliver or pay to a person certain moneys or goods. Any request made of another in writing.

Par of Exchange, the intrinsic value of money, when compared with that of other countries, both in weight and fineness.

Partnership, see *Co-Partnership*.

Payee, the person to whom money is to be paid.

Per annum, by the year.

Policy, or *Policy of Insurance*, the writing, or instrument, by which a contract of indemnity to the insured is effected between him and the insurer.

Portage, the incidental sums paid by a Captain in running his vessel.

Postdate, to date after the real time.

Posting, transferring the Journal entries to the Leger.

Power of Attorney, authority given to a person to act for another.

Price Current, a list of various articles of Mdse., with their market values.

Principal, the chief of a commercial house or firm. Capital sum due, lent, or owed, in contradistinction to interest.

Primeage, a percentage allowed to the master of a vessel on the amount of freight transported.

Procuratation, the act of procuring. The instrument by which a person is empowered to transact business for another.

Pro forma, according to form. Thus a *pro forma* Account-Sales is an imaginary Account-Sales, made out in form of a real one, to send to parties abroad, to give information of prices, charges, commission, &c.

Promissory Note, a writing which contains a promise of the payment of money, or the delivery of property at or before a specified time.

Protest, a Notary's document, declaring that a bill was not accepted when presented, or was not paid when it fell due.

Quarantine, restraint of intercourse to which a ship is subjected, for a limited term, on the presumption that she may be infected with a malignant, contagious disease.

Rate of Exchange, the per centum above or below the par value of a bill of exchange.

Rebate, or *Rebatement*, abatement of price; deduction for prompt payment.

Receipt, a writing acknowledging the receipt of money or goods.

Remittance, bills or money sent from one house to another. The act of sending the same.

Renewal of a Bill, prolonging the time of payment.

Resources, funds, money, or that which may be converted into supplies. See *Assets*.

VOCABULARY.

Salvage, a reward allowed for saving property from loss at sea.

Schedule, a piece of paper or parchment containing an inventory of goods.

Sea-worthy, fitted in every respect for a voyage.

Seize, to take possession by virtue of a warrant, or legal authority.

Set of Exchange, a number of *Bills of Exchange*, (usually three,) drawn of the same tenor and date. Each bill is forwarded by a different conveyance, to prevent failures, and one of them being paid, the remainder are of no value.

Shipment, the act of putting goods on board a vessel. The goods shipped.

Sight, or *at sight*, the time when a bill is presented to the drawee.

Signature, the name of a person written or subscribed by himself.

Sine die, without fixing the day.

Sine qua non, without which a thing cannot be; hence an indispensable condition.

Smuggling, passing goods into a country clandestinely, without paying duties.

Solidity, the estimate a mercantile house bears as to property.

Solvent, able to pay all debts.

Staple Goods, the principal produce of a country. Goods not liable to perish.

Stock, capital invested in trade. Goods on hand. The name of a person in business.

Surety, security against loss or damage. One bound for the payment of another's debts; bondsman; bail.

Tare, an allowance for the weight of boxes, barrels, &c., in which Mdse. is put up.

Tariff, a list or table of duties or customs on Mdse. imported or exported.

Teller, an officer of a bank, employed to receive deposits or pay money on checks.

Tide-waiters, officers who watch the lading and unlading of vessels, to secure duties, as a check on contraband trade, &c.

Tonnage, the weight or measurement of goods carried in a vessel, or the capacity of a vessel.

Transfer, to carry from one account to another. To make over; to convey from one to another.

Trustee, a person to whom any thing, or business, is committed.

Underwriters, persons who insure property against loss.

Usury, formerly interest—in present usage, *illegal* interest.

Voucher, a book, paper, or document, which serves to vouch the truth of accounts.

Wharfage, money paid for the use of a wharf.

Wreckers, persons employed in saving property from shipwreck.

BOOK-KEEPING
BY
SINGLE ENTRY.

INTRODUCTION

TO

SINGLE ENTRY BOOK-KEEPING.

BOOK-KEEPING is the science of accounts, and teaches how to preserve a correct record of all business transactions. There are two distinct methods of keeping accounts, termed Book-Keeping by *Single Entry* and Book-Keeping by *Double Entry*.

In *Single Entry* Book-Keeping, each entry is a *single entry*, that is, consists of *but one debit*, or *one credit*; while in *Double Entry* Book-Keeping, every entry contains *both a debit and a credit*.

The principles of *Single Entry* are so easy of comprehension as scarcely to need explanation. Accounts are usually kept only with the *persons* with whom you have dealings, and although a Cash account, Merchandise account, and other *property* accounts may be kept, yet just so far as you introduce any other accounts except those with *persons* who owe you, or whom you owe, so far do you encroach upon the peculiar province of *Double Entry*, as is more fully explained on page 83.

The principal books of entry are a *Day Book* and *Leger*. Besides these there are several smaller books which are convenient, and some of which are absolutely essential to be kept. These are usually termed *auxiliary* books, and vary in number and form according to the business. They will all be described and shown in the subsequent pages of this book. Of these the CASH BOOK is the most important, and should never be dispensed with where there are any considerable dealings in cash. In it all receipts and payments of cash are entered, and it is a constant check upon your cash transactions to test their accuracy.

THE DAY-BOOK.—All transactions are entered in this book which require a debit or credit to any person with whom you have dealings. The form of entry is very simple, thus: "John Brown Dr. To 6 lbs. Nails @ 7¢, 42¢," or "Samuel Henry Cr. By Cash on $\frac{9}{10}$ \$5.00;" in every case specifying the details which constitute the debit or credit. This is the only book from which posts are made to the Leger.

THE LEGER.—Into this book all sums entered in the Day-Book are transferred, an account being opened with each different person, into which every debit and credit made to that person is collected. This process is called posting, and the advantages derived from it are, that, by looking at any person's account in the Leger, you can see at a glance your whole dealings with that person, and also the balance which is due him or you, which you could not find without much trouble and great liability to error, if the amounts of debit and credit were all left standing scattered through the Day-Book.

SET I, SINGLE ENTRY.

EXPLANATORY REMARKS, SET I.

CASH-BOOK, SET I.

The Cash-Book [see page 23] is a simple memorandum-book for keeping the Cash account correctly. There are various ways of keeping the Cash-Book, but the form here shown is perhaps as simple as any, as easily kept, and as little liable to mistakes, for persons whose cash transactions are not very numerous, and who are not scientific accountants. It contains two columns for dollars and cents.*

Whenever money is received from any source whatever, it must be entered in this book as "Rec'd," (describing for what,) and the amount must be extended into the *left* hand dollar and cent column, which is called the *debit* column; and whenever money is paid out for any purpose whatever, it must also be entered in this book as "Paid," (telling for what,) and the amount extended into the *right* hand dollar and cent column, called the *credit* column. Thus, if the account is kept correctly, the difference between these two columns will show at all times the *balance* of cash on hand, and will agree with the actual amount of money in possession, counting that which is deposited in bank, as well as what is in the store or shop; and if it does not so agree, there has been some error, which must be searched for and corrected. The credit column can never be the larger, since it is impossible to pay out more money than you receive.

The Cash-Book should be balanced at the end of each week—or daily, when much business is done—by entering in the credit column the balance of cash on hand, (usually done in *red* ink,) ruling and footing both columns, and underneath the closure entering the balance on hand (in black ink) in the debit column.

The Cash account may be tested at any time, without balancing the Cash-Book, by finding the difference between the debit and credit columns, on a scrap of paper, and comparing that difference with the cash on hand. This should be done daily, when the Cash-Book is balanced only once a week.

DAY-BOOK, SET I.

Whenever you do a job of work for any person, or sell him any thing, or pay him money, or he in any other manner becomes indebted to you, he must be charged (or debited) with the same in this book, to show that *he owes you*. And whenever any person sells you any thing, pays you money, or does work for you, or you in any other manner become indebted to him, he must be credited with the same in this book, to show that *you owe him*. [See form of entry, page 25.]

* The pupil will observe that throughout the book, in speaking of the money columns, I designate the space for dollars and the space for cents, united, as but one column.

DAY-BOOK, SET I.

This is the only book from which you post, and therefore every entry which you wish to bring into any account in the Leger must be entered here. *Erasures are not allowable* in the Day-Book, as they look suspicious, and frequently render invalid the evidence of entries therein. [See remarks on detection and correction of errors, page 143.]

In entering *purchases*, it is allowable to say, "Am't as pr. Bill," or "Am't as pr. Invoice," and omit the detail of items, since you have the Invoice filed away, or pasted in a book, so that you can refer to it at any time; but in entering *Sales*, the *items* should *always* be mentioned in your Day-Book, as this is your legal evidence of the transaction; and in order to be taken as evidence, each article must be distinctly named.

LEGER, SET I.

The Leger is used for collecting in one place all the items of debit and credit belonging to any one man, which are found scattered in separate entries over many pages in the Day-Book; and thus presenting the account before us complete, for ascertaining the gross amounts of debit and credit, and the balance due either party; and also affording an easy reference to the various items, by the date and page of the Day-Book.

Legers are usually (especially in Double-Entry books) ruled so that the debit and credit sides of the accounts are both contained on one page or folio, thus:

Dr.		Wm. Smith.				Cr.	
1852.		1852.					
Jan. 1	To Advs. 4	Jan. 15	By Cash 6				
	15 00		5 00				

But this book has been made small to adapt it to school purposes, and make it more convenient for children to carry and use, and the pages are too narrow to allow room for the Legers in Single Entry to be thus shown. Therefore the debit is put on the left-hand page, and the credit on the right-hand page, both pages being considered as constituting but one Leger folio.

DEFINITIONS.

As some may be at a loss to know the true meaning of the words *debtor* and *creditor*, *debit* and *credit*, I will here define them as used in Single Entry.

DEBTOR, the person who owes you.

CREDITOR, the person whom you owe.

DEBIT—as a verb—to make the proper entry of a person's indebtedness to you:—as an adjective—that side of a person's account which shows his indebtedness to you.

CREDIT—as a verb—to make the proper entry of your indebtedness

DEFINITIONS (*continued*).

to another person:—as an *adjective*—that side of a person's account which shows your indebtedness to him.

For a more perfect definition of these words, and a fuller explanation of their true philosophy, see the Introduction to Double Entry, page 85. Also, for the definition of any terms, words, or abbreviations which you do not understand, refer to the Vocabulary, page 9.

INSTRUCTIONS FOR WRITING UP CASH-BOOK AND DAY-BOOK, SET I.

The intention is, that Sets I and II shall be written on loose sheets of paper for practice, and then Set III may be written in the blank books which accompany this work. This previous practice on loose sheets will enable the pupil to fill his blank books neatly and correctly. Ruling the sheets will be also very useful to the pupil, as he will be able to rule his *Legers* and other books much more book-keeper-like after this practice. The rulings in books, except the ordinary faint lines for writing on, look better to be in red ink.

Prepare some paper, ruled after the patterns given for the different books. Then in the Cash-Book enter the amount of cash at commencing business, on the 1st day of September, and the amounts paid out for paints, &c., on the same day; and in the Day-Book enter the debit to B. T. Stokes. Next, enter in the Cash-Book the payments out for gold leaf, step ladders, and muslin on the 2d inst.; and in the Day-Book the debits to Mayland, Morris & Co., and to T. Templeton. Follow this with the receipt of cash in the Cash-Book, on the 3d inst. — and this, again, with the entries in both Cash-Book and Day-Book, on the 4th inst.

Having completed the first week, balance your Cash-Book, and bring the balance down to the beginning of the subsequent week. Continue the entries of this week in the Cash-Book and Day-Book, *in order of date*, the same as the preceding, and so on, successively, balancing your Cash-Book at the close of each week, until you come to the end of the month.

It makes no difference in which book the entries of any given day are *first* made, as in a real business the entry would be put down at the time of the transaction, and would be sometimes placed in the Cash-Book and sometimes in the Day-Book, according to its nature. Some transactions, however, require an entry in each book at the same time; as, for instance, on the 4th inst., Geo. L. Searles is credited with his wages, and charged with cash on account in the Day-Book, and then the cash is recorded also in the Cash-Book. A little observation and thought, however, will enable you to discover which transactions require entering in both books, and which only in one.

You will perceive some of the hands employed have accounts opened with them in the Leger, and some have not. Those paid in full at the end of each week, have not.

INSTRUCTIONS FOR WRITING UP LEGER, SET I.

After having finished writing up the Cash-Book and Day-book, as described on page 20, the next step is to post the entries from the Day-Book to the Leger. This is done as follows:—The first entry in the Day-Book is a debit to Stokes, for whom you open an account on the Leger, thus: "*Dr.———Bailey T. Stokes———Cr.*;" [see pages 28 and 29;] then on the debit side, underneath this heading, place the date, description, Day-Book folio, and amount, as found in the Day-Book, which completes the post of the 1st inst. Next *post-mark* the entry, i. e. place the folio of the Leger to which it is taken, in the left-hand marginal column of the Day-Book.

Underneath the account of Stokes in the Leger, open, in the same manner, an account for *Mayland, Morris & Co.*, leaving sufficient space for all the entries that will probably be posted to Stokes. On the debit side of this account post the entry of the 2d inst., post-marking it in the Day-Book, to show that it is posted. Follow this with the account of *Thomas Templeton*, and so on, successively, opening an account in the Leger for each different name. But when entries to any person occur subsequently to having opened an account with that person in the Leger, post all such subsequent entries into the account already opened. *Credits* must be posted to the *credit* side of the account; and where there is both a debit and a credit in the same entry, as in the entry to Searles on the 4th inst., it requires two posts, one on each side of the account. Any accounts which are paid in full, as that of Stokes on the 7th inst., *may be closed* at the time, and entries occurring subsequently must be posted underneath the closure.

When the whole month has been posted, you may re-examine each item, checking the entries with a pencil in the Day-Book and Leger, to be sure that no mistakes have been made. This is the only test of correctness that exists in Single Entry Book-Keeping, and is quite essential if you would avoid errors, which are very apt to occur in posting. After satisfying yourself of the accuracy of your work, you may proceed to close up your Leger, as you would at the expiration of a year in actual business. Those accounts which have been paid in full, if not closed at the settlement, may now be closed by ruling them according to the sample given, and adding up the accounts, if they need adding up. Those accounts which have debit or credit balances still unsettled, may also be closed by making a *red ink* entry, (indicated by *small Italics*), on the smaller side of the account, saying, "*To Bal. to new %*," or "*By Bal. to new %*," ruling and footing up the account, and placing the balance underneath the closure, on the opposite side of the account.

In the printed Leger given you will observe that the *perpendicular lines* are interrupted by spaces left for inserting each name, which cannot well be avoided in printing, although, in blank books ruled for the

INSTRUCTIONS (*continued*).

counting-house, the lines generally extend connectedly the whole length of the page. In most blank books ruled for *Legers*, the only *horizontal lines* across the page (except the faint lines for writing upon) are the double lines at the top of the page. The other single lines above and double lines underneath each account are ruled by hand, and I think it is quite as well to dispense with them altogether, and open accounts after the following sample.

Dr.—————*Mayland, Morris & Co.*—————*Cr.*

This form is neat, easily done, and, I think, looks better than so much ruling. All rulings on the *Leger* should be in *red ink*.

The number of accounts to be opened on a page in actual business must be determined by the judgment of the Book-Keeper. An account that is likely to fill up soon, should have a whole page left for it: smaller accounts may be placed two on a page, and in some cases, though seldom, three or four.

In writing up these sets for practice, you can place as many accounts as you have room for on each page; but be careful not to crowd one account on another, as this looks excessively awkward.

You will perceive that the account of *Jonathan Long & Co.* is placed prior to that of *Henry Talbot* in the printed *Leger*, although the first entry in the former is two days subsequent to the first entry in the latter. But this makes no difference, as the accounts may be arranged in the *Leger* in any order that suits the taste of the accountant, as will be seen more fully hereafter.

The *Alphabet* or *Index*, a small book that always accompanies the *Leger*, will be explained in Set II. The pupil need not make it out in this set.

Sets of books, in actual business, are usually closed yearly, and the continuance of Sets I and II for one month each is to be understood as for one year.

CASH-BOOK, SET I.

1

Cash,

Dr. Cr.

1852.					
Sept.	1	At m't of Cash at commencing Business	500	00	
"	"	Paid for Paints, Oils, Glass, &c., pr. Adam's Bill			105 32
"	2	" " 2 Books Gold Leaf.			75
"	"	" " Making Step Ladders			5 00
"	"	" " Muslin			37
"	3	Rec'd of S. Lambert for glazing 27 Lights, 10 by 12, @ 25¢	6	75	
"	4	Paid Geo. L. Searles on ½ of Wages, pr. D. B.			3 00
"	"	" Wm. Boyd, Jr., 3 days' Work @ \$1.50			4 50
"	"	" Hiram Smith, 3 days' Work @ 75¢			1 50
"	"	* Balance in Bank \$345.00, in Safe \$41.31			386 31
			506	75	506 75
Sept.	6	Balance Cash on hand	386	31	
"	"	Rec'd of J. Payson for painting Sign, as pr. agreement	30	00	
"	7	" " Bailey T. Stokes in full	6	75	
"	8	Paid Jonathan Long & Co. on ½			25 00
"	11	" " " " "			10 00
"	"	" Geo. L. Searles on ½ of Wages, pr. D. B.			9 00
"	"	" H. Smith 5 ² ds' Work @ 75¢			4 13
"	"	Balance in Bank \$364.93, in Safe \$10.00			374 93
			423	06	423 06
Sept.	13	Balance Cash on hand	374	93	
"	17	Rec'd for 37 lbs. Blue Paint @ 25¢	9	25	
"	18	Paid Geo. L. Searles in full			7 50
		At m'ts carried forward	384	18	7 50

* Italics denote red ink.

CASH-BOOK, SET I.

Cash,

Dr. Cr.

1852.		<i>Am'ts B'st forward</i>	384	18	7	50
Sept.	18	<i>Rec'd for 2 Lights, 10 by 20, Stained Glass</i>	9	00		
"	"	<i>Paid H. Smith 6 ds' Work @ \$1.</i>			6	00
"	"	<i>Balance in Bank \$374.43, in Safe \$5.25</i>			379	68
			393	18	393	18
Sept.	20	<i>Balance Cash on hand</i>	379	68		
"	"	<i>Rec'd of Timothy Stone for 120 lbs. White Paint @ 11¢</i>	13	20		
"	"	<i>Paid for Repairs of Shop</i>			2	12
"	"	<i>" " Making Transparency Frame</i>			4	38
"	24	<i>Rec'd of J. F. Goodwin, for Stained Glass, as pr. agreement</i>	25	00		
"	"	<i>" " Harry Biddle, for painting Church, as pr. agreement</i>	210	00		
"	25	<i>Paid F. Jones 6 ds' Work @ \$1¹/₂</i>			9	00
"	"	<i>" W. Hughes 5² " " @ \$1¹/₂</i>			8	25
"	"	<i>" H. Smith 5 " " @ \$1.</i>			5	00
"	"	<i>" P. Lundy 4² " " @ 75¢</i>			3	38
"	"	<i>Balance in Bank \$341.75, in Safe \$54.00</i>			596	75
			627	88	627	88
Sept.	27	<i>Balance Cash on hand</i>	595	75		
"	"	<i>Paid Peter Lee, Carpenter, for sundry Jobs, as pr. Bill</i>			22	50
"	28	<i>" for 10 galls. Linseed Oil @ \$1.62²</i>			16	25
"	29	<i>Rec'd for Tin Sign</i>	10	00		
"	"	<i>Paid for Tin & Japanning</i>			4	25
"	30	<i>" H. Smith 6 ds' Work @ \$1.</i>			6	00
"	"	<i>" Rent of Shop one month</i>			16	67
"	"	<i>Balance in Bank \$521.43, in Safe \$18.65</i>			540	08
			605	75	605	75
1852						
Oct.	1	<i>Balance from Sept. 30th /52</i>	540	08		

Philadelphia, September 1st, 1852.

L. F. * 1	Bailey T. Stokes	Dr.		
	To Lettering Tin Sign		1.75	
	" 1 Light Stained Glass		5.00	6 75
	2d			
1	Mayland, Morris & Co.	Dr.		
	To Bronzing Candelabra		.	2 00
	3d			
1	Thomas Templeton	Dr.		
	To Bronzing Valve		.50	
	" 6 lbs. Blue Paint @ 25 ¢		1.50	
	" 18 " White " @ 12 1/2 ¢		2.25	4 25
	4th			
2	Camden & Amboy Rail-Road Co.	Dr.		
	To Lettering Sign, 60 feet, @ 20 ¢		12.00	
	" Pilding Border of Sign		2.00	
	" Putting up Sign		2.50	16 50
	"			
2	George L. Pearles	Cr.		
	By 4 days' Labor @ \$1.50			6 00
	Dr.			
2	To Cash on %			3 00
	6th			
2	Camden & Amboy Rail-Road Co.	Dr.		
	To Lettering Sign, 15 feet, @ 20 ¢		3.00	
	" Making Board & putting up		4.25	7 25
	"			
3	Henry Talbot	Cr.		
	By Making Sign for C. & A. R. R. Co.			3 00
* These figures are the postmarks. Omit them until you post.				

Philadelphia, September 7th, 1852

1	Bailey T. Stokes	Cr.		
	By Cash in full of %		6	75
	8th			
2	Jonathan Long & Co.	Cr.		
	By Paints, Oils, &c., as pr. Bill		52	64
	Dr.			
2	To Cash in Part		25	00
	"			
3	Wm. S. Bradbury	Cr.		
	By Bill of Glass and Putty	17.50		
	" " " Paints and Oils	122.50	140	00
	9th			
1	Thomas Fentleton	Dr.		
	To Glazing 1 Light, 11 by 18		37	
	11th			
2	Jonathan Long & Co.	Dr.		
	To Cash on %	10.00		
	" Glazing 10 Lights, 10 by 18, @ 25¢	2.50	12	50
	"			
2	George L. Pears	Cr.		
	By 5 ³ days' Labor @ \$1.50		8	25
	Dr.			
2	To Cash on %		9	00
	13th			
3	Philadelphia Exchange	Dr.		
	To Glazing 4 Lights, 10 by 16, @ 25¢	1.00		
	" Painting 3 Rooms, 2 coats, as pr. agreement	15.00	16	00

Philadelphia, September 15th, 1852.

2	Camden & Amboy Rail-Road Co. Cr. By my Order on them, favor of J. Long & Co. 15th	15	14
2	Jonathan Long & Co. Dr. To my Order, their favor, on Camden & Amboy R.R. Co. 18th	15	14
2	George L. Searles Cr. By 3 ^d days' Labor @ \$1.50 Dr.	5	25
2	To Cash in full (discharged) 22d	7	50
3	Sargeant & Willis Dr. To Stained Glass for Transparency Frame, and putting up, as agreed 25th	40	00
1	Bailey T. Stokes Dr. To Glazing New Lash at Manufactory, as pr. agreement, to wit: 56 Lights, 11 by 15, @ 9¢ 5.04 139 " 10 by 12, @ 7¢ 9.73 1920 " 8 by 10, @ 3¢ 57.60 " 20 " Old Glazing, 11 by 17, @ 35¢ 7.00 " Painting 110 Window Frames @ 45¢ 49.50 " " Reception Room 5.25 27th	134	12
1	Thomas Templeton Cr. By 1 Blk. Cloth Dress Coat 15.00 " 1 Pr. Blk. Cass. Pants 6.00 30th	21	00
3	Sargeant & Willis Dr. To Painting Office, as pr. agreement	30	00

*Dr.**Bailey T. Stokes*

Date.		Description.	D-B. Folio.	Amount.	
1852.					
Sept.	1	To Lettering Sign, & Stained Glass	1	6	75
1852.					
Sept.	25	To Glazing & Painting	3	134	12

*Dr.**Maryland, Morris & Co.*

1852.					
Sept.	2	To Bronzing Candelabra	1	2	00

*Dr.**Thomas Templeton.*

1852.					
Sept.	3	To Bronzing & Paints	1	4	25
"	9	" Glazing	2		37
"	30	" Bal. to New of		16	38
				21	00

LEGER, SET I.

1

Bailey T. Stokes.

Cr.

Date.		Description.	D.B. Folio.	Amount.	
1852.					
Sept.	7	By Cash in full	2	6	75

Mayland, Morris & Co.

Cr.

Thomas Templeton.

Cr.

1852.					
Sept.	27	By Dress Coat & Pants	3	21	00
1852.				21	00
Oct.	1	By Balance from Old %		16	38

Dr. Camden & Amboy Rail-Road Co.

1852.					
Sept.	4	To Painting & Putting up Sign	1	46	50
"	6	" " " " "	1	7	25
				23	75
1852.					
Oct.	1	To Bal. from Old %		8	61

Dr. George L. Searles.

1852.					
Sept.	4	To Cash on %	1	3	00
"	11	" " " "	2	9	00
"	18	" " in full	3	7	50
				19	50

Dr. Jonathan Long & Co.

1852.					
Sept.	8	To Cash on %	2	25	00
"	11	" Do. & Drawing	2	12	50
"	15	" my Order	3	15	14
				52	64

Camden & Amboy Rail-Road Co. Cr.

1852.					
Sept.	15	By Order on them	3	15	14
"	30	" Bal. to New Co		8	61
				23	75

George L. Searles. Cr.

1852.					
Sept.	4	By Labor	1	6	00
"	11	" "	2	8	25
"	18	" "	3	5	25
				19	50

Jonathan Long & Co. Cr.

1852.					
Sept.	8	By Paints, Oils, &c.	2	52	64
				52	64

*Dr.**Henry Talbot.*

--	--	--	--	--	--

*Dr.**Wm. G. Bradbury.*

--	--	--	--	--	--

*Dr.**Philadelphia Exchange.*

1852.					
Sept.	13	To Glazing & Painting	2	16	00

*Dr.**Sargeant & Willis.*

1852.					
Sept.	22	To Stained Glass, &c	3	40	00
"	30	" Painting Office	3	30	00
				70	00
1852.					
Oct.	1	To Bal. from Old %		70	00

LEGER, SET I.

3

Henry Talbot.

Cr.

1852.					
Sept.	6	By Making Sign	1	3	00

Wm. G. Bradbury.

Cr.

1852.					
Sept.	8	By Bill of Glass, Paints, &c.	2	140	00

Philadelphia Exchange.

Cr.

--	--	--	--	--	--

Sargeant & Willis.

Cr.

1852.					
Sept.	30	By Bal. to New %		70	00
				70	00

DEDUCTIONS FROM SET I.

As this business has now been brought to a close, it remains to be seen whether it has been profitable or unprofitable.

Take off a list of the debit and credit balances standing on the Leger, and you will find the following results:

<i>Balances due me.</i>		<i>Balances I owe.</i>	
<i>Bailey T. Stokes</i>	134 12	<i>Thomas Templeton</i>	16 38
<i>Maryland, Morris & Co.</i>	2 00	<i>Henry Talbot</i>	3 00
<i>Camden & Amboy Rail- Road Co.</i>	8 64	<i>Wm. S. Bradbury</i>	140 00
<i>Philadelphia Exchange</i>	16 00		\$159 38
<i>Largant & Willis</i>	70 00		
	<u>\$230 73</u>		

Now suppose that the cash on hand constituted the only capital at commencing business, except a stock of tools, amounting (say) to \$75, as shown by the Inventory-Book, which are worth as much now as when you commenced, the new ones purchased being an offset against damage by use. Suppose, also, that the stock of paints, oils, glass, &c., remaining on hand, amounts to \$65.50, as shown by the Inventory-Book.

You will then have the following details:

<i>Cash on hand, as pr. Cash-Book, at starting</i>	500.00
<i>Stock of Tools, as pr. Inventory-Book*</i>	75.00
<i>Capital at starting</i>	<u>\$575.00</u>
<i>Cash on hand, as pr. Cash-Book, at closing</i>	540.08
<i>Stock of tools, as pr. Inventory-Book, "</i>	75.00
<i>Stock of paints, &c. " " "</i>	65.50
<i>Personal accounts due me, as pr. Leger, "</i>	230.73
<i>Resources or assets</i>	<u>\$911.31</u>
<i>Deduct liabilities, viz. personal accounts I owe, as pr. Leger,</i>	<u>159.38</u>
<i>Net capital or present worth</i>	<u>\$751.93</u>
<i>It appears from the above that my net capital at closing business is</i>	<u>\$751.93</u>
<i>While my capital at commencing business was only</i>	<u>575.00</u>
<i>Showing that my gains in business have been</i>	<u>\$176.93</u>

* The Inventory-Book will be explained hereafter.

DEDUCTIONS (*continued*).

From the foregoing statements, you will perceive that:—

The amount invested by you at starting business is termed *capital*.*

Your available means at closing are termed *resources* or *assets*.

Your indebtedness at closing is termed *liabilities*.

The difference between your assets and liabilities is termed *net capital* or *present worth*. (Or, if the liabilities be the greater, *net insolvency*.)

Also,

By taking your capital at starting from your present worth, you may ascertain your gains in business.

In a losing business,

By taking your present worth from your capital at starting, you may ascertain your losses in business.

NOTE.—In the closure of all the Sets in Single Entry, and of all in Double Entry, except Set VI, I have supposed that no bad debts exist on the Leger. But if any debts are known to be bad, or are even thought doubtful, an ample allowance should be made for them, in estimating your profits.

QUESTIONS FOR REVIEW, SET I.

These Questions review the whole of Single Entry thus far, and the pupil should be required to commit the answers thoroughly to memory and answer them, before proceeding farther. This questioning is one of the very best exercises for fixing in the mind what is intended to be learned by the previous practice; and I think the teacher will find that the series of questions prepared through the work are sufficiently extended to embrace nearly or quite the whole subject expounded, and not, as is too often the case, so meagre as to impose on him half the work of framing questions.

What is Book-keeping?

What two distinct methods are there of keeping accounts?

In Single Entry Book-keeping, of what does each entry consist?

In Double Entry, what does every entry contain?

What accounts are usually kept in Single Entry?

So far as you introduce Cash, Mdse., and other *property* accounts, upon what do you encroach?

What are the principal books of entry?

What are the smaller books kept besides these, in business, termed?

Which is the most important of these? What do you enter in the Cash-Book?

What transactions are entered in the Day-Book? Describe the form of entry.

What sums are transferred to the Leger?

What is the process of transferring from the Day-Book to the Leger called?

What are the advantages derived from it?

What is the Cash-Book?

How many columns for dollars and cents has Cash-Book, Set I?

How must money received be entered? How must money paid out be entered?

What must the difference between the two columns show?

If this difference does not agree with the actual amount of money in possession, what is shown?

Why cannot the credit column be larger than the debit?

* The various items which make up this capital are called *effects*; and if you owed debts also at starting, the difference between the amount of your effects and debts would be called *net capital*, or, if the debts were the greater, *net insolvency*.

QUESTIONS FOR REVIEW (*continued.*)

- How often should the Cash-Book be balanced? How is it done?
How can you test the Cash account without balancing the Cash-Book?
When do you debit a person in the Day-Book? When do you credit a person?
Why must every entry which you wish to bring into any account in the Leger be entered in the Day-Book?
Why are erasures not allowable in the Day-Book?
Is it allowable, in entering purchases, to say "Am't as pr. Bill," and to omit the items? Why is it?
Is it proper thus to do in entering sales? Why not?
For what is the Leger used?
How are Legers usually ruled? Why are not the Legers in Single Entry thus ruled?
Define *debtor*. Define *creditor*.
Define *debit*—as a verb:—as an adjective.
Define *credit*—as a verb:—as an adjective.
What colored ink looks best for rulings in the books?
In what *order* should the entries in the Cash-Book and Day-Book be entered?
Mention a transaction which requires an entry in both Day-Book and Cash-Book?
What is the next step, after writing up the Cash-Book and Day-Book?
Describe the process of posting. How do you post-mark the entry?
What may be done with accounts paid in full, as that of Stokes on the 7th inst.?
What do you do, after completing the posting, to assure yourself that no mistakes have been made?
What do you do with the Leger, after satisfying yourself of its accuracy?
How do you close accounts paid in full?
How do you close accounts which have debit or credit balances, still unsettled?
How does the ruling of the printed Legers given differ from that of blank-books ruled for the counting-house?
How many accounts should be opened on one page in the Leger?
In what order should accounts be arranged in the Leger?
What is the Alphabet or Index? How often are books usually closed?
What does the continuance of this Set for one month represent?
Mention the accounts on your Leger* which have balances due you. What is the gross amount of them?
Mention the accounts on your Leger which have balances you owe. What is the gross amount of them?
What was the amount of Cash on hand at starting? Where found?
What was the value of tools at starting? Where found?
What was the total capital at starting? How ascertained?
What is the amount of Cash on hand at closing? Where found?
What is the value of tools at closing? Where found?
What is the value of paints, oils, &c., at closing? Where found?
What amount of personal accounts is due you? Where found?
What are the total assets at closing? How ascertained?
What amount of personal accounts do you owe? Where found?
What is the net capital or present worth? How ascertained?
What have been your gains in business? How ascertained?
What is the amount invested by you at starting termed?
What are the various items which make up this capital called?
What would the difference between your effects and debts at starting be called?
What are your available means at closing termed?
What is your indebtedness at closing termed?
What is the difference between your assets and liabilities termed?
How do you ascertain your gains in business? How your losses?
What is to be done, if bad debts exist at closing?

* The pupil may have his own Leger and other books before him, in answering this and the following questions. Also the statements which he has drawn up to show his net capital, net gains, &c.

SET II, SINGLE ENTRY.

EXPLANATORY REMARKS, SET II.

WHEN you have carefully pondered over the contents of Set I, so as to impress upon your mind all the principles that are therein contained, you may then proceed with the second Set in a similar manner, first writing up the Cash-Book and Day-Book connectedly in order of date, and then posting from the Day-Book to the Leger. You will find frequent reference, in this Set, to the *Inventory-Book*, *Bill-Book*, and *Time-Book*, none of which are here given, but you can find examples of them all in the work, by referring to the Table of Contents, pages 3 and 4.

CASH-BOOK, SET II.

In this Cash-Book, *one page or folio* of the Cash account occupies *two* pages of the book, cash *debits* being placed on the *left-hand* page, and cash *credits* on the *right-hand* page.

This form of Cash-Book is more used than that given in Set I, and is better, except in quite a limited business. The balances are brought down weekly, as in Set I; but when the entries are numerous, it would be better to balance the Cash account daily.

Several new entries occur in this Cash-Book, as the receipt of cash for a note held by the firm—taking up a note of the firm outstanding—payment of a gas bill, &c.; but they will readily be comprehended by a little thought. The wages of hands employed, you will perceive, is paid weekly, in cash, the time which they work being kept in a Time-Book. Sometimes hands are employed by the piece or job, and then a memorandum-book, similar to the Time-Book, is required, to keep account of the work done.

You will notice that money paid or received *on account* requires an entry in this book, and also in the Day-Book, at the same time.

DAY-BOOK, SET II.

This book is the same in form and general treatment as the Day-Book to Set I.

The statement of the forming of a partnership, and the terms thereof, at the commencement of the Day-Book, is not usually inserted in actual business, but is contained in the articles of agreement between the parties, which should always be drawn up and signed by each partner.

LEGER, SET II.

This Leger is precisely similar to Leger, Set I.

When the space left for an account in the Leger is filled, it should be transferred to a new folio, as shown in the case of James Margrave. But if entries have been made only upon one side of the account, the method of transferring differs somewhat from this, as may be seen in the case of Philip Mendenhall. An account should always be transferred before it crowds upon the one below it.

THE ALPHABET OR INDEX.

This is a small book which is used in connection with the Leger, to afford a ready reference to any account therein contained. It usually has a leaf allowed for every two letters of the English alphabet, and sometimes, in large Legers, one or more leaves for each letter. Each leaf is marked, upon its outer edge, with the letter or letters for which it is intended to be used, and then the different Leger titles are entered thereon, as indicated by their initials. The initial to the *surname* of a person is generally used, this part of the name being written first in the Alphabet.

The account should be entered in the Alphabet at the time it is placed in the Leger.

The Alphabets shown in this Set, and in subsequent Sets of this book, have been condensed on one page, to save room.

DIRECTIONS FOR WRITING UP.

After having prepared paper for the different books as directed for Set I, page 20, commence to transcribe the Cash-Book and Day-Book, connectedly, in order of date, balancing the Cash-Book weekly, and thus progress until you have finished them.

Next, post from the Day-Book to the Leger, as before described, page 21, being careful, however, to remember, whenever you open a new account on the Leger, to insert its title also in the Alphabet, with the page of the Leger on which it may be found. This gives ease in future reference, and prevents the opening of duplicate accounts to the same parties.

Open the two partners' accounts first upon the Leger, and after posting the entries of 1st inst., you may close B. L. Archer's account, and bring the balance, which is his net capital, down to new account, so that, in making statements from the Leger, each partner's investment may be readily seen.

When the posting is completed, and you have re-examined, to be certain of accuracy, rule and close up such accounts as balance themselves, or have the debit and credit sides equal. Then draw up statements on a separate sheet of paper, after the manner shown on pages 56 and 57, to ascertain the present worth and the net gains of the firm, and of each partner. Pay particular attention to this, and try to make the method of arriving at these results perfectly familiar, as it is a very important branch of the accountant's duties, and frequently not well understood.

After completing these statements, *enter each partner's share of net gain to the credit of his account in the Leger.* Make this an original entry in the Leger, which is the simplest and best way; and not enter it in the Day-Book, and post to the Leger, although some good accountants pursue this latter plan. The difference between the two sides of each partner's account will now show his net capital, and you may close his account and bring down this net capital to new account, as it is called, that is, write it down in the same account underneath the closure. You may likewise close all the other accounts remaining open on the Leger.

*Dr.**Cash.*

1852.				
Nov.	1	To B. L. Archer, invested by him	50	00
"	"	" C. T. Marion, " " "	648	08
"	3	" James Margrave, on %	60	00
			758	08
Nov.	8	To Bal. on hand from 6th inst.	674	98
"	"	" 1 Bureau, Mahogany veneered	22	00
"	9	" Bills Rec., B. Pinkley's Note, Archer's fav.	125	00
"	11	" James Mortley, Arm Chair for Office	5	00
"	"	" Repairing Tables & Chairs	4	00
			830	98
Nov.	15	To Bal. on hand from 13th inst.	652	60
"	17	" Staining Cupboard 75¢, Varnish 50¢	1	25
"	18	" 1 Reclining Chair for Invalids	25	00
"	19	" 2 Ottomans \$7, French Bedstead \$4.50	14	50
			690	35
Nov.	22	To Bal. on hand from 20th inst	602	23
"	"	" Steamboat Ohio Belle, part Bill of date	150	00
			752	23
Nov.	29	To Bal. on hand from 27th inst.	478	83
"	"	" 2 Mahogany Rocking Chairs @ \$12.50	25	00
"	"	" 2 Maple French Bedsteads @ \$4.50	9	00
"	"	" 1 Doz. Cane-Seat Walnut Chairs 24.00		
"	"	" Child's High Chair & Rocking Chair 2.50	26	50
"	30	" James Margrave, in full	62	75
			602	08
1852.				
Dec.	1	To Bal. on hand from Nov. 30th 52	471	98

CASH-BOOK, SET II.

1

Cash.

Cr.

1852.				
Nov.	2	By Richard Baker, Bill of Lumber	75	60
"	6	" Wages paid hands, pr. Time-Book	7	50
"	"	" Balance in Bank \$650, in Safe \$24.98	674	98
			758	08
Nov.	8	By S. Brinkley, Carpenter, Repairs of Shop	51	50
"	"	" Jonas Smith, Painting & Glazing	22	38
"	"	" John Johnson & Son, in full of %	67	00
"	13	" Wages paid hands, pr. Time-Book	37	50
"	"	" Balance in Bank \$620, in Safe \$32.60	652	60
			830	98
Nov.	16	By John Johnson & Son, part Bill of date	50	00
"	20	" Wages paid hands, pr. Time-Book	38	12
"	"	" Balance in Bank \$625.50, in Safe \$76.73	602	23
			690	35
Nov.	22	By Bills Pay., Archer's Note to Wall \$200.00		
		Less Discount to Jan. 6th /53 1.50	198	50
"	23	" B. L. Archer, on %	40	00
"	24	" Varnish \$13.50, Gas bill \$14.25, Drayage 50	28	25
"	27	" Wages paid hands, pr. Time-Book	36	65
"	"	" Balance in Bank \$470, in Safe \$8.83	478	83
			752	23
Nov.	29	By Bill of Veneering	25	60
"	"	" Charles T. Maunon, on %	25	00
"	"	" Repairs of Lock		25
"	30	" Rent of Shop, one month	40	00
"	"	" Wages paid hands, pr. Time-Book	39	25
"	"	" Balance in Bank \$460.50, in Safe \$11.48	471	98
			602	08

Pittsburg, November 1st, 1852.

L. F.		
	<p><i>Barney L. Archer, Cabinet-Maker, associates with himself Charles T. Marion;—Archer transferring to the firm such portion of his resources and liabilities as is mutually agreed upon, and Marion investing their equivalent in Cash. The parties are to share alike in gains and losses.</i></p>	
1	<p><i>Barney L. Archer Cr.</i> <i>By Cash invested 50.00</i> <i>" sundry Notes he holds against others, pr. B.-B. 350.00</i> <i>" Bal. of James Margrave's % 55.75</i> <i>" " of Peyton Gardner's " 37.40</i> <i>" Materials & Unfinished Work, as pr. Inventory 356.50</i> <i>" Stock of Furniture 210.43</i> <i>" " Tools 151.20</i></p>	1,214 28
	<p><i>Dr.</i></p>	
1	<p><i>To sundry Notes he owes, pr. B.-B. 421.00</i> <i>" Bal. due John Johnson & Son, on % 67.00</i> <i>" " " Peters, Fishian & Co., " " 75.20</i></p>	563 20
1	<p><i>Charles T. Marion Cr.</i> <i>By Cash invested</i></p>	648 08
	<p><i>1st</i></p>	
1	<p><i>James Margrave Dr.</i> <i>To Bal. of his % due B. L. Archer</i></p>	55 75
	<p><i>"</i></p>	
2	<p><i>Peyton Gardner Dr.</i> <i>To Bal. of his % due B. L. Archer</i></p>	37 40
	<p><i>"</i></p>	
2	<p><i>John Johnson & Son Cr.</i> <i>By Bal. of B. L. Archer's % assumed by us</i></p>	67 00

Pittsburg, November 1st, 1852

2	Peters, Fishian & Co.	Cr.		
	By Bal. of B. L. Archer's % assumed by us		75	20
	3d			
1	James Margrave	Dr.		
	To 1 Hair Cloth, Mahogany Sofa		20	00
	Cr.			
1	By Cash on %		60	00
	4th			
2	Mrs. Matilda Waterby	Dr.		
	To 9 Chairs, Cane-Seats, @ \$1.25	11.25		
	" 6 " Hair-Cloth Seats, " 3.00	18.00		
	" 2 Cherry Dining Tables, " 6.00	12.00		
	" 1 Maple French Bedstead	4.25		
	" 1 " Low-Post "	2.75	48	25
	5th			
3	Jeremiah McCabe, pr. wife,	Dr.		
	To 1 Doz. Windsor Chairs	12.00		
	" ½ " " " @ \$15.	7.50		
	" ½ " " " " 10.	5.00		
	" 1 Spring-Seat Black Walnut Sofa	21.00	45	50
	8th			
2	John Johnson & Son	Dr.		
	To Cash in full		67	00
	9th			
2	Peters, Fishian & Co.	Cr.		
	By Bill of Lumber		135	00
	Dr.			
2	To our Note @ 30 days, in full of their %		210	20

Pittsburg, November 9th, 1852.

1	James Margrave, pr. daughter, Dr. To 1 Black Walnut Footstool	1 50
	9th	
3	Lewis Laflin, Jr. Dr. To 3 Patent Pivot Chairs, @ \$5.	15 00
	11th	
1	James Margrave, pr. wife, Dr. To 1 Black Walnut Extension Dining Table	40 00
	13th	
3	Philip Mendenhall Dr. To 2 Children's High Dining Chairs, Mahogany, @ \$2.	4 00
	"	
3	Miss Betsey Crim Dr. To 3 Dox. Windsor Chairs, @ \$11. 33.00 " 1 Rocking Chair, Second Hand, 9.00	42 00
	15th	
1	James Margrave Dr. To 1/2 of J. McCabe, assumed by him	45 50
	"	
3	Jeremiah McCabe Cr. By transfer of 1/2 to J. Margrave	45 50
	16th	
2	John Johnson & Son Cr. By Bill of Paints, Varnish, Brushes, &c.	175 26
	Dr.	
2	To Cash in part	50 00

Pittsburg, November 18th, 1852.

3	Philip Mondenhall Dr. To 1 Black Walnut Book Case	15 00
	19th	
4	James Margrave, pr. son, Dr. To 1 Hat Stand, Mahogany Veneered	10 00
	20th	
3	Philip Mondenhall Dr. To Varnishing 1 Table	50
	22d	
4	Steamboat Ohio Belle Dr. To 3 Mahogany Sofas, @ \$15. 45.00 " 2 " Tete-a-Tetes, " 16. 32.00 " 1 " Rocking Chair 12.00 " 4 " Arm Chairs, @ 8. 32.00 " 2 Doz. " Chairs, " 30. 60.00 " 14 Cherry Wash-Stands, " 2. 28.00 " 14 Looking Glasses, " 2. 28.00	237 00
	Cr.	
4	By Cash in part payment	150 00
	23d	
1	B. L. Archer Dr. To Cash on %	10 00
	"	
4	Oscar P. Lewis & Co. Cr. By Bill of Lumber	96 40
	26th	
4	James Margrave, pr. wife, Dr. To 1 Mahogany Bureau, with Glass	25 00

LEGER, SET II.

Alphabet or Index.

A.		N.	
<i>Archer, Barney L.</i>	1		
		O.	
		P.	
<i>Criss, Miss Betsey</i>	3	<i>Peters, Fithian & Co.</i>	2
		Q.	
		R.	
		S.	
<i>Gardner, Peyton</i>	2	<i>Steamboat Ohio Belle</i>	4
		T.	
		U.	
<i>Johnson, John, & Son</i>	2		
		V.	
		W.	
		<i>Watersby, Mrs. Matilda</i>	3
		X.	
<i>Laflin, Lewis, Jr.</i>	3		
<i>Lewis, Oscar P., & Co.</i>	4		
		Y.	
		Z.	
<i>Marion, Charles T.</i>	1		
<i>Margrave, James</i>	4-1		
<i>McCabe, Jeremiah</i>	3		
<i>Mendenhall, Philip</i>	4-3		

Dr. Barney L. Archer.

1852.					
Nov.	1	To Notes & % assumed by firm	1	563	20
"	"	" Net Capital at starting		648	08
				1,211	28
1852.					
Nov.	23	To Cash on %	4	10	00
"	30	" Net Capital to New %		778	38
				788	38

Dr. Charles T. Marion.

1852.					
Nov.	29	To Cash on %	5	25	00
"	30	" Net Capital to New %		763	38
				788	38

Dr. James Margrave.

1852.					
Nov.	1	To Bal. due B. L. Archer	1	55	75
"	3	" Mahogany Sofa	2	20	00
"	9	" Footstool	3	1	50
"	14	" Dining Table	3	40	00
"	15	" % of J. McCabe	3	45	50
		Am't to folio	4	162	75

*Dr.**Peyton Gardner.*

1852.					
Nov.	1	To Bal. due B. L. Archer	1	37	40

*Dr.**John Johnson & Son.*

1852.					
Nov.	8	To Cash in full	2	67	00
1852.					
Nov.	16	To Cash on %	3	50	00
"	30	" Bal. to New %		125	26
				175	26

*Dr.**Peters, Fithian & Co.*

1852.					
Nov.	9	To Bills Payable @ 30 days	2	210	20
				210	20

*Dr.**Mrs. Matilda Waterby.*

1852.					
Nov.	4	To Chairs, Tables & Bedsteads	2	48	25

LEGER, SET II.

2

Peyton Gardner.

Cr.

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John Johnson & Son.

Cr.

1852.					
Nov.	1	By B. L. Archer's %	1	67	00
1852.					
Nov.	16	By Bill of Paints, &c.	3	175	26
				175	26
1852.					
Dec.	1	By Bal. from Old %		125	26

Peters, Fithian & Co.

Cr.

1852.					
Nov.	1	By B. L. Archer's %	2	75	20
"	9	" Bill of Lumber	2	135	00
				210	20

Mrs. Matilda Waterby.

Cr.

--	--	--	--	--	--

Dr. Jeremiah McCabe.

1852.					
Nov.	5	To Chairs & Sofa	2	45	50

Dr. Lewis Laflin, Jr.

1852.					
Nov.	9	To Pivot Chairs	3	15	00

Dr. Philip Mendenhall.

1852.					
Nov.	13	To Children's Chairs	3	4	00
"	18	" Book-Case	4	15	00
"	20	" Varnishing Table	4		50
				49	50

Dr. Miss Betsey Crim.

1852.					
Nov.	13	To Windsor Chairs & Rocking Chair	3	42	00
"	29	" Mahogany Bureau	5	19	00
				61	00
1852.					
Dec.	1	To Bal. from Old %		42	00

Jeremiah McCabe.

Cr.

1852.					
Nov.	15	By Transfer to J. Margrave	3	45	50

Lewis Laflin, Jr.

Cr.

Philip Mendenhall.

Cr.

1852.					
Nov.	20	By Bal. to folio	4	19	50
				19	50

Miss Betsey Crim.

Cr.

1852.					
Nov.	30	By Bureau returned	5	19	00
"	"	" Bal. to New %		42	00
				61	00

LEGER, SET II.

Dr. James Margrave.

1852.					
Nov.	15	To A'm't from folio	1	162	75
"	19	" Hat-Stand	4	40	00
"	26	" Mahogany Bureau	4	25	00
				197	75

Dr. Steamboat Ohio Belle.

1852.					
Nov.	22	To Bill of Furniture	4	237	00
				237	00
1852.					
Dec.	1	To Bal. from Old %		87	00

Dr. Oscar P. Lewis & Co.

Dr. Philip Mendenhall.

1852.					
Nov.	20	To Bal. from folio	3	19	50
"	30	" Centre Table	5	15	00
				34	50
1852.					
Dec.	1	To Bal. from Old %		34	50

LEGER, SET II.

4

James Margrave.

Cr.

1852.					
Nov.	15	By A'm't from folio	1	60	00
"	30	" his Note & Cash	5	137	75
				197	75

Steamboat Ohio Belle.

Cr.

1852.					
Nov.	22	By Cash on %	4	150	00
"	30	" Bal. to New %		87	00
				237	00

Oscar P. Lewis & Co.

Cr.

1852.					
Nov.	23	By Bill of Lumber	4	96	40

Philip Mendenhall.

Cr.

1852.					
Nov.	30	By Bal. to New %		34	50
				34	50

DEDUCTIONS FROM SET II.

Unsettled Balances on the Leger.

<i>Debts due the Firm.</i>		<i>Debts the Firm owe.</i>	
<i>Payton Gardner</i>	37 40	<i>John Johnson & Son</i>	125 26
<i>Mrs. M. Waterby</i>	43 25	<i>Oscar P. Lewis & Co.</i>	96 40
<i>Lewis Laflin, Jr.</i>	15 00		
<i>Miss Betsey Crim</i>	42 00		\$221 66
<i>Steamboat Ohio Belle</i>	87 00		
<i>Philip Mondenhall</i>	34 50		
	\$264 15		

You now need some facts contained in auxiliary books, which are omitted.

Suppose, then,

The stock of furniture on hand, pr. Inventory-Book, to be	\$776.75
Materials and unfinished work, " " "	239.79
Tools, depreciated by use, " " "	141.95
Amount of Bills Receivable in possession of the firm, pr. Bill-Book	300.00
Amount of Bills Payable outstanding, pr. Bill-Book	481.20

You have now the materials for the following Statements:

<i>Assets.</i>		<i>Liabilities.</i>	
<i>Cash, pr. C.-B.</i>	471 98	<i>Debts firm owes, pr. Leg.</i>	221 66
<i>Debts due firm, pr. Leg.</i>	264 15	<i>Bills Pay., pr. B.-B.</i>	434 20
<i>Bills Rec., pr. B.-B.</i>	300 00	<i>Total liabilities</i>	\$652 86
<i>Furniture, pr. I.-B.</i>	776 75		
<i>Materials, &c. "</i>	239 79		
<i>Tools, "</i>	141 95		
<i>Total assets</i>	\$2,194 62		
<i>Deduct liabilities</i>	652 86		
<i>Firm's net capital or present worth</i>	\$1,541 76		

DEDUCTIONS (continued.)

<i>Assets,</i> <i>including Partners' debits.</i>		<i>Liabilities,</i> <i>including Partners' credits.</i>	
<i>Cash, pr. C.-B.</i>	471 98	<i>Debts firm owe, pr. Leg.</i>	221 66
<i>Debts due firm, pr. Leg.</i>	264 15	<i>Bills Pay., pr. B.-B.</i>	431 20
<i>Bills Rec., pr. B.-B.</i>	300 00	<i>B. L. Archer's credit</i>	648 08
<i>Furniture, pr. F.-B.</i>	776 75	<i>C. T. Marion's "</i>	648 08
<i>Materials, &c. "</i>	239 79		
<i>Tools, "</i>	141 95		\$1,949 02
<i>Cash to B. L. Archer</i>	10 00		
<i>" " C. T. Marion</i>	25 00		
	\$2,229 62		
<i>Deduct</i>	1,949 02		
<i>Firm's net gains</i>	\$280 60		
<i>Each partner's ½ \$140.30</i>			

Again,

<i>Net gains of B. L. Archer</i>	\$140.30	
<i>Add credit Bal. of his %, pr. Ledger,</i>	638.08	
<i>B. L. Archer's net capital</i>		778.38
<i>Net gains of C. T. Marion</i>	\$140.30	
<i>Add credit Bal. of his %, pr. Ledger</i>	623.08	
<i>C. T. Marion's net capital</i>		763.38
<i>Firm's net capital, as pr. 1st Statement,</i>		\$1,541.76

Therefore,

The difference between the total assets and total liabilities of a firm shows the *net capital* or *net insolvency* of the firm.

The difference between the assets, including partners' debits, and liabilities, including partners' investments, shows the *net gains* or *net losses* of firm.

*Each partner's share of net gains, added to his account, shows his net capital.**

The net capital of the several partners, being added together, shows the firm's net capital.

* In a losing business, the losses of each partner, deducted from the credit balance of his account, shows his net capital; or if the net losses are greater than the credit balance of his account, the difference shows his net insolvency.

QUESTIONS FOR REVIEW, SET II.

- How are the Cash-Book and Day-Book of this Set to be written up?
From what book do you post to the Leger?
How can you find examples of the *Inventory-Book*, *Bill-Book*, *Time-Book*, and other auxiliaries not given in this Set?
What is the form of the Cash-Book, in Set II? How does it differ from that in Set I?
How often is the wages of hands employed paid? How is the time they work kept?
How is money paid or received *on account* to be entered?
In what is the statement of the forming of a partnership, and the terms thereof usually contained?
When the space left for an account in the Leger is full, what is to be done with it?
What two accounts are transferred in this Leger?
Is the method of transferring them the same in both cases? How different?
What is the Alphabet or Index? Describe its usual form.
Which part of the name of a person is generally written first in the Index?
When should the title of an account be placed in the Index? Why is it important to insert it in the Index as soon as the account is opened in the Leger?
What two accounts are first opened in the Leger?
What is done to B. L. Archer's account, after posting the entries of 1st inst.? After completing the posting, what do you do? What, after re-examining the Leger, and closing such accounts as balance themselves?
What is the object in drawing up statements, as shown on pages 56 and 57?
Where do you enter each partner's share of the net gain? How?
What will the difference between the two sides of each partner's account now show?
What do you do with this net capital?
How do you treat other accounts remaining open in the Leger?
Mention the several accounts in the Leger having balances due the firm.
What is the gross amount of them?
Mention those having balances the firm owe. What is the gross amount?
What is the value of the stock of furniture remaining on hand?
What is the value of materials and unfinished work?
What is the value of tools?
What amount of Bills Receivable have the firm in possession?
What amount of Bills Payable are outstanding against the firm?
What are the total assets of the firm? What the total liabilities?
What is the firm's present worth?
What are the total assets, including partners' debits?
What are the total liabilities, including partners' investments?
What are the net gains of the firm?
What is each partner's half of the net gains?
What is shown by the difference between the total assets and total liabilities of the firm?
What is shown by the difference between the assets, including partners' debits, and the liabilities including partners' investments?
What is shown by adding each partner's share of net gains to his account?
In a losing business, what is shown by deducting the losses of each partner from the credit balance of his account?
If the net losses are greater than the credit balance of his accounts, what does the difference show?
What is shown by adding together the net capital of the several partners?

SET III, SINGLE ENTRY.

EXPLANATORY REMARKS. SET III.

THERE are blank books for this Set intended to accompany the work, and in these, I wish you to write up the materials found on pages 62 to 69 inclusive. These materials will afford you a complete and connected history of the business of farming for a year, (except that some of the petty details, which are of constant occurrence, are omitted, to avoid an unnecessary and tiresome repetition.) In most cases the gross amounts of debit or credit are omitted, but the number of acres, bushels, &c., bought or sold, and at what price, are in all cases mentioned; and you can calculate the amounts for yourself. This will give just the kind of practice which is needful to prepare for the actual keeping of books—for no one is qualified to keep a set of books, however well he may understand the theory of accounts, unless he is quick and accurate in making extensions, additions, and such calculations as usually occur in business.

You will find at first, underneath each transaction recorded, an elucidation of the manner in which you are to enter it in your Cash-Book, or Day-Book, or both. But when there are several records of similar transactions, elucidations are given to one or more of the first, and omitted in the subsequent ones, in order that you may exercise your power of thought, and be benefited thereby, instead of being a mere copyist, leaning entirely and constantly upon a support, and ready to fall as soon as that support shall be removed.

The *Cash-Book*, *Day-Book*, and *Leger* used in this Set are the same in form and mode of entry as those in Set II. The blanks prepared have printed explanations on their covers, which will enable you to use them correctly, and the practice which you have now had on loose sheets of paper should give you accuracy and neatness in all your work. It is no small accomplishment to be able to keep books free from mistakes, erasures, and blots; and yet all books of account (especially books of original entry) should be thus kept, for they are frequently the only means of proving important dealings between man and man, and if doubts be cast upon their accuracy and truthfulness, by a careless (not to say dishonest) manner of keeping them, innocent parties will thereby oftentimes be sufferers.

First examine critically the history of every separate transaction, before looking at the elucidation, and determine, if possible, how you would make the entry, and then compare your own ideas with the elucidation given, and ascertain whether you are right—and make the entry or entries accordingly. Proceed thus, entering in both Day-Book and Cash-Book, in order of date, until you have completed the whole year. Then post the Day-Book—re-examine, to see if rightly posted—close it—and draw off statements as before directed. The statements and

deductions on page 71 will enable you to see whether you have performed all your work with accuracy.

Teachers will find the Cash-Book, Day-Book, Alphabet and Leger, complete, in the key to this work, which, with the directions here given, will enable even those unacquainted with the science of accounts to guide their pupils aright in the prosecution of this study. But all the aid an intelligent pupil needs, except such suggestions as his teacher will of course give him, is intended to be furnished in the treatise itself, and it is far better that he should not consult the Key.

INVENTORY-BOOK, OR ACCOUNT-STOCK-BOOK, SET III.

On page 70, I have given an Inventory-Book. This is a small book, used for taking an account of the value of property owned by you, at any given date, in order that you may use it in estimating your net capital, net gains, &c. Merchants take an inventory of their goods, or, as they usually call it, "*take an account of stock*," once a year at least, and every business man should inventory his property as often as this. It must of necessity be done whenever you would ascertain the true state of your business affairs. In taking an inventory, there must be a careful estimate of the value of the property, of whatever kind, and it is perhaps as safe a rule as any to affix such a price as the article would bring in market.

To ascertain on what pages the *Check-Book* and other *auxiliaries* needed in actual business are exhibited, refer to the Table of Contents, pages 3 and 4.

FARM ACCOUNT, SET III.

This account, given on pages 72-75, exhibits in detail, on the debit side, the whole of your expenditures for the farm, including the expenses of your family, and on the credit side, the whole of the proceeds accruing and arising therefrom; and is an exemplification of a regular *Double Entry property account*, except that in Double Entry, instead of being embraced under one head, it would more commonly be divided into several separate accounts, as "Dairy Account," "Wheat Field," "Family Expenses," "Interest," and the like, and thus enable you to know precisely, truly, and minutely, the whole state of your affairs, and what branches of your business are more or less profitable. This account, as here shown, however, enables you to ascertain how much you have gained by your whole farming operations, and operates as a proof upon the correctness of your books, by producing the same result.

1 HISTORY AND ELUCIDATIONS, SET III.

Lancaster, Penn'a, January 1st, 1852.

My Capital at the present time consists of Cash on hand, \$6,275, and Notes which I hold against other persons to the Am't of \$2,629.50.

You must enter in your Cash-Book, on the debit side, the money here mentioned as on hand, thus, "To Am't on hand at commencing business," giving the date and amount.

The notes would, in actual business, be recorded in a Bill-Book; but you may omit any record of them, as no Bill-Book is given in connection with this Set. Or, if you prefer so to do, you can rule, on a sheet of paper, a form of Bill-Book like that on p. 166, 167, and make therein the proper entries of these notes, and others which occur in this Set. You can find the name of drawer and the time when due, in these notes, by the history of the payment.

1st

Bo't of Jonas A. Leech a Farm, containing 125 Acres improved Land, and 25 Acres wood Land, with Stone House, Barn & Out-buildings complete = 150 Acres @ \$100 pr. Acre. \$15,000.00

Paid him in Cash, \$5,000, and gave him my two Bonds for the Bal., secured by Mortgage on the Farm, one for \$5,000, payable in five years, and one for \$5,000, payable in ten years, each on Int. @ 6 % pr. annum, payable semi-yearly.

As Jonas A. Leech has been paid in full for the farm purchased of him, no entry need be made necessarily to his account; but in so large transactions as this, it is well to show them in the person's account in your Leger, even though paid in full: therefore you may credit Jonas A. Leech (in your Day-Book) with the farm, and debit him with the cash and bonds given in payment, making the entry full and explicit as to its details. When this entry in your Day-Book is posted, you may rule and add up the account in the Leger, before posting any more into it.

In the Cash-Book, on the credit side, enter the money paid, thus, "By Jonas A. Leech, paid in part for Farm," giving the date and amount.

"

Bo't of Jonas A. Leech 20 Acres of Wheat, in the ground, @ \$12 pr. Acre, to be paid for 4 mos. after it is harvested.

This requires a credit to Leech in the Day-Book. Make the correct extension of the amount, which is here omitted.

"

Bo't of Jonas A. Leech, his Horses, Cattle, Dairy Stock, Farming Implements, &c., as below enumerated:—

1 Span Horses, one 7, the other 8 years old, \$200; 1 Yoke Oxen, 5 years old, \$70; 5 Steers, yearlings last Spring, @ \$10; 1 Durham Bull, 4 years old, \$100; 1 Alderney Bull, yearling last Spring, \$50; 3 Alderney Heifers, 2 years old last Spring, @ \$28; 17 Cows, at an average price of \$23; 10 Hogs, @ \$6; 12 Pigs @ \$3; 1 Large Two-horse Wagon, with Cover, \$110; 1 Ox-Cart, \$30; 2 Ploughs @ \$10; 1 Harrow, \$8; 1 Horse Rake, \$5; Dairying Utensils, Fanning Mill, Corn Cultivator, Pitch Forks, Spades, Shovels, Rakes, Hoes, Flails, and all other Farming Implements now on the place, for the gross sum agreed between us of \$65; Stock of Hay, supposed to be 40 Tons, @ \$10; a quantity of Corn Fodder and Straw, \$30; 110 Bush. Wheat @ \$1; 250 Bush. Corn @ 50 ¢; 100 Bush. Oats @ 35 ¢; 1,000 Bush. Turnips @ 12 ¢; 10 Bush. Ruta Bagas @ 25 ¢; 20 Bush. Carrots @ 35 ¢. \$2,113.50

Paid him in Cash, \$625, and a Note against Geo. Wheaton, my favor, @ 6 mos., due Feb. 10th, proximo, for \$355; agreed to pay him

Lancaster, Penn'a, January 1st, 1852.

in Cash, on the 1st of next Mar., \$500, and the Bal. 8 mos. from date.

In the Day-Book, credit Jonas A. Leech for all the above purchases, giving full particulars in systematic order. Take a separate line for each separate item enumerated, placing the amount of it at the left of the dollar and cent column. Add up these several amounts, and extend the total into the dollar and cent column. Debit him with the Cash, and with the note of Wheaton which you pay him.

In the Cash-Book, enter the money paid him, on the credit side.

1st

Agreed with John Jones to work for me on the Farm, at any and all kinds of Farm work, for one year, @ \$12 pr. mo; Bernard Samson do., @ \$10 pr. mo.; Patrick McFarland @ \$8 pr. mo.; and Lewis W. Gregory, boy, @ \$3 pr. mo.; also hired Margaret Wilson as Dairy-woman, @ \$5 pr. mo.; Peggy Morrison, Milk-maid, @ \$4 pr. mo.; Charlotte C. Bryant, Cook, @ \$5 pr. mo.; all to be paid monthly. Total, \$47 pr. mo.

This requires no entry in either Day-Book or Cash-Book. It is merely inserted here to preserve the connected history of the whole business.

The paying monthly is introduced in order to lessen the number of similar entries through the Set; although usually females employed, and sometimes men, are paid weekly.

2d

Bo't for Cash, 75 Bush. Potatoes, @ 35 ¢, and 1 Bbl. Sweet Potatoes, @ \$2.25.

Enter the above upon the credit side of your Cash-Book.

3d

Bo't for Cash, 10 lbs. Beef, @ 10 ¢, and 5 lbs. Nails, @ 5 ¢.

Enter this precisely similar to the last. In the next transaction of the same kind, I shall give you no suggestions as to entering it.

Such entries would be of almost daily occurrence in actual life, but I shall give only a few, as specimens. If I should write out *all the details* of a farmer's life for a year, it would extend this Set to an unreasonable length, without any real advantage.

"

Sent 30 Bush. Wheat and 25 Bush. Corn to Wm. Jacob's Grist Mill, to be ground.

The miller takes toll out of the grain sent, to pay for grinding. No entry required.

10th

Bo't of Orrin Woolworth, 1 Rockaway Wagon, with two seats, which can be used with one or two horses, for \$150, to be paid for in grain. Sold him on $\frac{1}{2}\%$, 20 Bush. Wheat, @ \$1.05 pr. Bush.

Credit Mr. Woolworth in your Day-Book, with the wagon purchased, and debit him with the wheat furnished. Specify also that he is to be paid in grain. As a general rule, it is well to mention any important fact in reference to the bargain in making entries in your Day-Book.

"

Bo't for Cash of Sundry Persons, as pr. Bills, $\frac{1}{2}$ Bbl. Pickled Mackerel, \$6; 3 Bbls. Pork, @ \$12; 200 lbs. Sugar, @ 5 ¢; 200 lbs. Sugar, @ 7 ¢; 20 lbs. Loaf Sugar, @ 11 ¢; 5 Gals. Molasses, @ 30 ¢; 1 Gal. Sugar-house Syrup, 50 ¢; 10 lbs. Tea, @ 50 ¢; 2 Sacks, 320 lbs. Coffee, @ 10 ¢; 2 lbs. Saleratus, @ 12 $\frac{1}{2}$ ¢; 4 lbs. Raisins, @ 12 $\frac{1}{2}$ ¢.

Lancaster, Penn'a, January 24th, 1852.

Sold to Ebenezer Failing, 5 Tons of Hay @ \$15 pr. Ton.

He paid me in part by 20 Bush. Buckwheat, delivered at Jacobs' Grist Mill, @ 55¢.

Mr. Failing must be debited with the hay, and credited with the buckwheat.

31st

Paid in full all the Hands employed by me, according to agreement, of 1st inst., \$47.

When the record is "Paid" simply, as in this case, without mentioning how, you are to consider it a cash payment, and enter it accordingly.

February 4th

Bo't for Cash 1 quarter of Veal, 15 lbs., @ 7¢; and 4 lbs. Beef Steak @ 10¢.

17th

Exchanged my horse Bill (8 years old) for a better match to my other horse, of same age, (7 years,) and paid in Cash the difference in value, \$10.

Here you need only to enter in the Cash-Book the difference in value of the horses, paid in money.

21st

Gave to my wife as Shopping Money \$25.

Enter, same as any other expense, on the credit side of the Cash-Book.

28th

Isaac McGuigan has paid me his Note, my favor, due this day, \$500.

Enter on debit side of Cash-Book.

"

Paid Hands in full, pr. agreement, \$47.

1852 is leap year, and February has 29 days, but the 29th is Sabbath, and all payments falling due on that day must be made the day previous.

March 1st

Paid Jonas A. Leech, on $\frac{1}{2}$ of Stock. Farming Implements, &c., Bo't Jan. 1st, \$500.

Place this on the credit side of your Cash-Book; and also debit Mr. Leech with it in the Day-Book, as he was credited with the whole stock and implements when they were purchased of him on 1st January.

16th

Bo't for Cash, to use as manure, 2 Tons Peruvian Guano @ \$45 pr. Ton; 2 Tons Patagonian Guano @ \$25; 1,000 Bush. Lime @ 10¢; and 100 Bush. Bone Dust @ 50¢.

Enter in Cash-Book only.

31st

Paid Hands in full, pr. agreement, \$47.

Discharged Patrick McFarland, because I find him untrustworthy.

April 5th

Sent 60 Bush. Wheat to Wm. Jacobs' Grist Mill to be ground.

No entry required.

Lancaster, Penn'a, April 18th, 1852.

Sold my Durham Bull to Caleb L. Rodgers, for \$125.

Received of him Cash \$50, and his Note @ 4 mos. for Bal.

As Mr. Rodgers has paid in full, you need not open any account with him; and the only entry here is to debit the cash received, in the Cash-Book. In actual business, the note would also be recorded in the Bill-Book.

18th

Killed one of my Steers. Sold for Cash the 2 Fore-quarters of Beef, 200 lbs., @ 7¢; 1 Hind-quarter, 95 lbs., @ 8¢; 10 lbs. Tallow @ 8¢; and reserved the Bal. for use.

Gave the hide to the Butcher for Killing and Selling.

Enter receipts of money in the Cash-Book.

30th

Paid Hands their Wages in full, \$39.

May 1st

Sent my Horses to Ebenezer Failing, Blacksmith, and had 4 New Shoes put on @ 31¢ ea.; 4 reset @ 12¢ ea.

Credit Mr. Failing in the proper book.

19th

Ebenezer Failing has put New Coulter in my Plough and 2 New Teeth in the Harrow @ \$2.50.

25th

Sold Ebenezer Failing, on %c, 8 Bush. Seed Potatoes, @ 50¢.

Debit Mr. Failing in the proper book.

31st

Paid Hands in full, \$39. Also Paid 6 d's. Work of Day Laborers @ 75¢; Hired Two New Hands for 3 months from date, at \$14 pr. mo.—names, George Munson, and Wm. Patterson, Jr.

Enter in the Cash-Book only what is paid. It would be well for every farmer, and every other business-man, to have a memorandum-book, in which he can state such facts as the hiring of these two new hands, and other matters which he cannot enter in his regular book of accounts, and which ought nevertheless not to be left entirely to the memory, because this often causes disputes and broils, when a few lines in writing, done at the time, would satisfy all parties.

June 1st

Rec'd Cash of Timothy Tumbleston for his Note, my favor, due this day, \$520.

All receipts to be placed on the debit side of Cash-Book.

"

Bo't 6 First-rate Milch Cows with Calves, Alderney Stock, @ \$50 ea., of Geo. T. Lipman.

Paid Cash, \$150; Bal. due 1st Sept.

Credit Lipman with the cows, and charge him with the money paid, in the Dag-Book. Also enter in Cash-Book correctly the money paid out.

30th

Paid Wages in full, \$67.

Also paid to Jonas A. Leech the Interest on my 2 Bonds, given in pay't of Farm, ea. for \$5,000 = \$10,000 @ 6%, for 6 mos., \$300.

All payments to be entered on the credit side of Cash-Book.

Lancaster, Penn'a, July 9th, 1852.

Rec'd of James McClain, Cash in full for his Note, my favor, due this day, \$625.

10th

Bo't of Peter A. Phillips a Market Wagon and Horse for \$175.

Paid in part by a Note I hold against Mulford & McKee, due Aug. 15th, for \$110, and agreed to pay the Bal. on the 1st of Jan. /53.

Credit Phillips with the wagon purchased and debit him with the note.

15th

Paid 4 days' Work of Men to help at Harvesting @ \$1.25.

31st

Paid Wages in full, \$67.

August 17th

Paid Cash for Marketing, \$3.50.

25th

Sold Caleb Cope 2 of my Steers @ \$25 ea.

When no mention is made of payment, take it for granted nothing is paid, and debit the person accordingly.

28th

Sold for Cash, to a Drover, my 2 remaining Steers @ \$15 ea., and 12 Calves (all except my Alderneys) @ \$5 ea.

31st

Paid Wages of Hands to date, \$67.

George Munson and Wm. Patterson, Jr. left to-day.

September 3d

Rec'd of G. M. Wharton, Esq., Cash in full for Notes, placed in his hands Mar. 11th for collection, to wit:—

One drawn by John Thomas, due Mar. 3d, for \$250.00

Int. on same to date, \$7.50.

One drawn by James B. Babcock, due Apr. 3d, \$269.50

Int. on same to date, \$6.74.

Paid him fee for Professional Services, \$50.

Enter in the Cash-Book, on the debit side, the money received for notes and interest, and on the credit side the money paid for professional services.

4th

Paid Jonas A. Leech in full for Bal. due on Stock, Farming Implements, &c. Bo't of him on 1st Jan. last, \$633.50.

The elucidation of Mar. 1st will apply to this entry.

16th

E. B. Holden & Co. have this day sent me a Bill of Sundry Articles of Children's Clothing and other Mdse. obtained at their Store since April 1st, Am't \$62.25.

E. B. Holden & Co. must of course be credited with this Bill of Mdse.

30th

Paid Wages of Hands in full to date, \$39.

„ 12 days' Work @ 75¢.

*Lancaster, Penn'a, October 2d, 1852.*Bo't of E. B. Holden & Co. on $\frac{1}{2}\%$ Mdse., as pr. Bill, \$10.75.

Purchases on account to be credited the person of whom you buy.

2d

Sold E. B. Holden & Co. on $\frac{1}{2}\%$ 600 lbs. Butter, in Firkins, @ 16 ¢;
and 225 lbs. Cheese, @ 8 ¢.

Sales on account to be debited the person to whom you sell.

12th

Sold Mrs. Sarah C. Dermott 50 Bush. Potatoes, @ 35 ¢.
(Will pay in three mo.)

15th

Stedman & Williston have this day finished threshing my Wheat, furnishing a Threshing Machine, 1 Man and 2 Horses. They threshed 600 Bush. and charged 6 ¢ pr. Bush.

Credit the firm who did the work.

23d

Peggy Morrison, the Milk-maid, left me this day sick. Think I shall be able to get along without hiring another at present, by letting Patrick and Lewis milk.

Paid Peggy 3 weeks' wages, \$3, and made her a present of \$3, as she had been a good girl, and is now sick.

Enter same as any of the other payments of wages.

26th

Sold for Cash to Wm. R. Patterson, 375 Bush. Wheat, @ \$1.

30th

Paid Wages of hands in full, \$35.

The 31st is Sabbath.

Nov. 3d

Sold Orrin Woolworth on $\frac{1}{2}\%$, 50 Bush. Potatoes, @ 35 ¢; 50 Bush. Wheat @ \$1; and 50 Bush. Oats @ 35 ¢.

"

Paid Cash for a Suit of Clothes for self, \$30; Dresses for Wife, \$25; Children's Clothing, \$20.15; Crockery, \$15.40; and Groceries \$18.25.

17th

Paid Jonas A. Leech, for Field of Wheat, Bo't on Jan. 1st, as pr. agreement, \$240.

See entry of the purchase, Jan. 1st, and elucidation of Mar. 1st.

27th

Richard P. Simpkins finished chopping wood on my Farm to-day. He has cut 50 cords, @ 50 ¢ pr. cord.

Paid him in part by an order on E. B. Holden & Co., for Dry-Goods out of their store, to the Am't of \$10; and Cash \$10.

The Bal. remains unpaid.

Credit Richard P. Simpkins with whole amount of the chopping, and debit him with order and cash. Then credit E. B. Holden & Co. with your order, favor of Simpkins.

Enter the Cash also in Cash-Book.

7 HISTORY AND ELUCIDATIONS, SET III.

Lancaster, Penn'a, November 30th, 1852.

Paid Hands their Wages in full, \$35.

Dec. 3d

Sold E. B. Holden & Co. on $\frac{1}{2}\%$, 20 Cords Wood, delivered at their Store, @ \$3.

7th

Rec'd of Caleb S. Rodgers Cash in full for his Note of Apr. 13th, @ 4 mos., due Aug. 16th, \$75, and for Int. from Aug. 16th to date, \$1.39.

Enter in Cash-Book the whole amount received for note and interest. As no account was opened with Mr. Rodgers on the 13th April, (which see,) he is not to receive any credit here.

"

Paid Geo. T. Lipman Bal. of his $\frac{1}{2}\%$, in full, due Sept. 1st, \$150; and Int. on same from Sept. 1st to date, \$2.40.

Credit Mr. Lipman with interest on his account, and debit him with the payment in full.

14th

Rec'd of Caleb Cope Cash in full of his $\frac{1}{2}\%$, \$50.

"

Sold Stedman & Williston on $\frac{1}{2}\%$, 100 Bush. Corn @ 50 ¢.

20th

Sold Richard P. Simpkins on $\frac{1}{2}\%$, 5 Bush. Wheat @ \$1.

25th

Sold Caleb Cope 2 Alderney Calves @ \$15; 1 Alderney Cow @ \$60; 1 Yoke Oxen @ \$75.

See Aug. 25th.

28th

Sold for Cash to Wm. Jacobs, 750 Bush. Oats @ 35 ¢; 800 Bush. Corn @ 55 ¢; 50 Bush. Buckwheat @ 60 ¢.

"

Paid the following contributions to charitable objects:

Bible Society, \$20; Tract Society, \$20; Foreign Missions, \$20; Home Missions, \$20; Sabbath School Union, \$20; For building Churches, \$100; To our Pastor, \$50.

Also paid Schooling of William and Mary for one year @ \$75 ea.

Cash-Book entries.

30th

Sold in the City of Philada., for Cash, 1,725 lbs. Cheese, @ 9 ¢; and 900 lbs. Firkin Butter, @ 18 ¢.

Paid Freight and other Expenses on same, \$11.55.

31st

Ebenezer Failing has this day rendered me a Bill for repairing Wagons and Farming Implements, Shoeing Horses, and other Blacksmithing to date, \$53.75.

Lancaster, Penn'a, December 31st, 1852.

Paid Anson Holcomb, Cooper, for Bill of Butter Firkins, Cheese Boxes,
and Coopering, during the past year. \$26.25

31st

Paid Wages in full, \$35.

"

Paid Int. on Bonds & Mortgages, favor of Jonas A. Leech, \$300.

"

Rec'd of Simpson Treat, Milk-man, Cash for 9,500 quarts Milk fur-
nished him during the year, as pr. agreement, taken by him from the
Farm each morning, @ 3 ¢ pr. quart.

INVENTORY-BOOK, SET III.

Inventory of my Property, Dec. 31st, 1852:

<i>1 Farm of 150 Acres, worth \$10. an Acre more than when I b't it, owing to good cultivation; but which I will value at the original cost, \$100. pr. Acre</i>			15,000	00
<i>1 Span Horses</i>	<i>\$250.00</i>			
<i>1 Horse</i>	<i>100.00</i>			
<i>1 Alderney Bull, 2 years old,</i>	<i>120.00</i>			
<i>2 " Cows,</i>	<i>@ \$60. 120.00</i>			
<i>6 " Do.</i>	<i>" \$45. 270.00</i>			
<i>16 Common Do. (1 died)</i>	<i>" \$20. 320.00</i>			
<i>7 Alderney Calves,</i>	<i>" \$15. 105.00</i>			
<i>8 Hogs,</i>	<i>" \$6. 48.00</i>			
<i>20 Pigs,</i>	<i>" \$3. 60.00</i>	1,393	00	
<i>1 Rockaway Wagon</i>	<i>142.00</i>			
<i>1 Large Double Wagon, with Cover,</i>	<i>100.00</i>			
<i>Market Wagon \$70., Ox-Cart \$25.</i>	<i>95.00</i>			
<i>2 Ploughs,</i>	<i>@ \$7.50 15.00</i>			
<i>Harrow \$7., Horse Rake \$4.50</i>	<i>11.50</i>			
<i>Fanning Mill & Corn Cultivator</i>	<i>23.00</i>			
<i>Dairying Utensils, Forks, Spades, Shovels, Rakes, Hoos, Flails, and other Implements, valued at</i>	<i>40.00</i>	426	50	
<i>170 Bush. Wheat,</i>	<i>@ \$1. 170.00</i>			
<i>250 " Corn,</i>	<i>" 50¢ 125.00</i>			
<i>150 " Oats,</i>	<i>" 35¢ 52.50</i>			
<i>40 " Buckwheat</i>	<i>" 55¢ 22.00</i>			
<i>115 " Potatoes,</i>	<i>" 35¢ 40.25</i>			
<i>48 Tons Hay,</i>	<i>" \$10. 480.00</i>			
<i>3 Stacks Straw,</i>	<i>" \$9. 27.00</i>			
<i>Quantity of Corn Fodder</i>	<i>42.00</i>			
<i>210 lbs. Butter</i>	<i>@ 18¢ 37.80</i>			
<i>154 " Cheese,</i>	<i>" 9¢ 13.86</i>			
<i>1,125 Bush. Turnips,</i>	<i>" 12¢ 140.63</i>			
<i>130 " Ruta Bagas,</i>	<i>" 25¢ 32.50</i>			
<i>25 Cords Hickory Wood,</i>	<i>" \$3. 75.00</i>			
<i>Quantity of Stable Manure</i>	<i>65.00</i>	1,323	54	
<i>Total</i>		<i>\$18,143</i>	<i>04</i>	

DEDUCTIONS FROM SET III.

Unsettled Balances on the Leger.

Debts due me.		Debts I owe.	
Ebenezer Failing	10 00	Orin Woolworth	44 00
Caleb Cope	165 00	Peter St. Phillips	65 00
E. B. Holden & Co.	91 00		\$109 00
Mrs. S. C. Dermott	17 50		
Sedman & Williston	14 00		
	\$297 50		

Capital at Starting.

Cash on hand, pr. Cash-Book, at starting	6,275.00
Notes held against others, " "	2,629.50
	<u>Capital</u>
	\$8,904.50

Present Worth.

Cash on hand, pr. Cash-Book, at closing	888.63
Property owned by me, pr. Inventory-Book,	18,143.04
Personal accounts due me, pr. Leger,	297.50
	<u>Assets</u>
	\$19,329.17

Deduct liabilities, viz.:—

Personal accounts I owe, pr. Leger,	109.00
Bonds & Mortgages Payable [See entry of the purchase of Farm, on the 1st of Jan., 1852.]	10,000.00
	\$10,109.00
Present worth, or net capital at closing	<u>\$9,220.17</u>

Net Gains in Business.

Net capital at closing business	\$9,220.17
Deduct net capital at commencing	8,904.50
	<u>Net gains</u>
	\$315.67

The facts which may be deduced from the above statements are precisely the same as those deduced from Set I, page 35, which see.

Dr.

Farm.

1852.				
Jan.	1	To Cost, 150 Acres @ \$100.	15,000	00
"	"	" 20 Acres Wheat in the ground @ \$12.	240	00
"	"	" Horses, Cattle, Dairy Stock, Farming Implements, &c.	2,113	50
"	2	" 75 Bush. Potatoes @ 35¢	26	25
"	"	" 1 Bbl. Sweet Potatoes	2	25
"	3	" Beef & Nails	1	25
"	10	" 1 Rockaway Wagon	150	00
"	"	" Mackerel, Pork & Groceries	107	95
"	24	" 20 Bush. Wheat @ 55¢	11	00
"	31	" Wages of Hands	47	00
Feb.	4	" Veal & Beef	1	45
"	17	" Difference in Exchange of Horses	10	00
"	22	" Shopping Money	25	00
"	28	" Wages of Hands	47	00
Mar.	16	" Guano, Lime & Bone Dust	290	00
"	31	" Wages of Hands	47	00
April	30	" " " "	39	00
May	1	" Blacksmithing	1	75
"	19	" " "	2	50
"	31	" Wages of Hands	43	50
June	1	" 6 Alderney Cows with Calves @ \$50.	300	00
"	30	" Wages of Hands	67	00
"	"	" Int. on Bonds to Leach	300	00
July	10	" Market Wagon & Horse	175	00
"	15	" Wages of Hands	5	00
"	31	" " " "	67	00
Aug.	17	" Marketing	3	50
"	31	" Wages of Hands	67	00
Sept.	3	" Professional Services of Geo. M. Wharton	50	00
"	16	" Clothing & other Mds.	62	25
"	30	" Wages of Hands	43	00
Oct.	2	" Mds., of E. B. Holden & Co.	10	75
"	15	" Threshing 600 Bush. Wheat @ 6¢	36	00
"	23	" Wages of Hands	6	00
"	30	" " " "	35	00
Am't forward			19,438	90

1852.				
Jan. 10	By 20 Bush. Wheat	@ \$1.05	21	00
" 24	" 5 Tons Hay	@ \$15.	75	00
April 13	" Durham Bull		125	00
" "	" 2 Fore-quarters, 200 lbs. Beef	@ 7¢	14	00
" "	" 1 Hind-quarter, 95 lbs. Beef	@ 8¢	7	60
" "	" 10 lbs. Fallow	@ 8¢	80	
May 25	" 3 Bush. Seed Potatoes	@ 50¢	4	00
Aug. 25	" 2 Steers	@ \$25.	50	00
" 28	" 2 " sold Drovers	@ \$15.	30	00
" "	" 12 Calves " "	@ \$5.	60	00
Sept. 3	" Interest on Notes collected		14	24
Oct. 2	" Butter & Cheese		114	00
" 12	" 50 Bush. Potatoes	@ 35¢	17	50
" 26	" 375 " Wheat	@ \$1.	375	00

Dr.

Farm.

1852.	<i>Am't Bro't forward</i>	\$19,438	90
Nov. 3	To Clothing, Crockery & Groceries	108	80
" 27	" Chopping 50 Cords Wood @ 50¢	25	00
" 30	" Wages of Hands	35	00
Dec. 7	" Int. paid Geo. T. Lyman	2	40
" 28	" Contributions \$250.00, Schooling \$150.00	400	00
" 30	" Freight & Expenses to Market	11	55
" 31	" Blacksmithing \$53.75, Coopering \$26.25	80	00
" "	" Wages of Hands	35	00
" "	" Int. on Bonds to Leech	300	00
<i>Net Gains, as shown on page 71</i>		20,436	65
		315	67
		\$20,752	32

QUESTIONS FOR REVIEW, SET III.

Of what business do the materials on pages 62 to 69, inclusive, afford a history?
 How are you to ascertain the gross amounts of debit or credit in any transaction?
 To qualify a person to keep a set of books, what is necessary besides understanding the theory of accounts?

Where will you find an elucidation of the manner of entering any transaction recorded in the history to Set III?

Of what form are the *Cash-Book*, *Day-Book*, and *Leger* used in this Set?

Where are the explanations requisite for the blank books which accompany this treatise to be found?

Why should all books of account be kept free from mistakes, erasures, and blots?

What are you to do before looking at the elucidation of any transaction, and how are you to make the entry?

What is to be done after the *Cash-Book* and *Day-Book* are completed?

What after finishing the posting? What after re-examining the posting?

What after closing the *Leger*? What test of accuracy have you?

What is the *Inventory-Book*?

Of what use is this estimation of the value of property owned by you?

How often do merchants "take an account of stock?" Should every business man do the same? How often must it necessarily be done?

What is the best rule as to the value to be affixed to your property?

What is exhibited on the debit side of the *Farm* account? What on the credit side?

Of what is this account an exemplification?

1852.	Am't Bro't forward	\$908 14
Nov. 3 By 50 Bush. Potatoes @ 35¢	17 50	
" " " 50 " Wheat @ \$1.	50 00	
" " " 50 " Oats @ 35¢	17 50	
Dec. 3 " 20 Cords Wood @ \$3	60 00	
" 7 " Interest on C. L. Rodgers' Note	1 39	
" 14 " 100 Bush. Corn @ 50¢	50 00	
" 20 " 5 " Wheat @ \$1.	5 00	
" 25 " 2 Alderney Calves @ \$15.	30 00	
" " " 1 " Cow	60 00	
" " " 1 Yoke Oxen	75 00	
" 28 " 750 Bush. Oats @ 35¢	262 50	
" " " 800 " Corn @ 55¢	440 00	
" " " 50 " Buckwheat @ 60¢	30 00	
" 30 " 1725 lbs. Cheese @ 9¢	155 25	
" " " 900 " Butter @ 18¢	162 00	
" 31 " 9,500 qts. Milk @ 3¢	285 00	
		2,609 28
Value of Farm, Stock, &c., pr. Inventory		18,143 04
		\$20,752 32

QUESTIONS (continued).

What does the account as here shown enable you to ascertain?

Of what is it a proof?

Mention the persons who owe you on closing business. What is the gross amount?

Mention those whom you owe. What is the gross amount?

What amount of cash was on hand at starting? What amount of notes?

What was the total capital at starting? How ascertained?

What amount of cash is on hand at closing? What amount of property is owned by you? What amount is due on personal accounts?

What are the total assets at closing? How ascertained?

What amount of personal accounts do you owe? How much on bonds and mortgages?

What are the total liabilities?

What is the present worth or net capital at closing? How ascertained?

What have been your gains in business? How ascertained?

What is the amount invested by you at starting termed? [See page 35, and the note thereon, for answers to this and the following questions.]

What are the various items which make up this capital called?

What would the difference between your effects and debts at starting be called?

What are your available means at closing termed?

What is your indebtedness at closing termed?

What is the difference between your assets and liabilities termed?

How do you ascertain your gains in business? How your losses?

What is to be done, if bad debts exist at closing?



SET IV, SINGLE ENTRY.

IN my Counting-house Edition of Book-Keeping, I have given a *Crew's Leger* in connection with a Western river Steamboat Set of books, for keeping accounts with the hands on board the boat, and the form of accounts there shown is so simple, that I have concluded to give here an illustration of the same method, for the use of persons whose business is very limited, and who may prefer to adopt it. It is to use a Leger only, ruled like the Cash-Book to Set I, [pages 23 and 24,] and to enter directly in it all the debits or credits to the different parties with whom you have dealings, without the intervention of the Day-Book. The Cash account may be kept in a portion of the Leger instead of having a separate Cash-Book, and any property accounts may be also kept, if desired, as well as in the preceding Sets given.

I have omitted the Cash account, because its form and treatment would be precisely like Cash-Book, Set I, above referred to; and also, to save room, have omitted all statements, deductions, &c. Indeed, I have not endeavored to make the Set complete, as I do not intend it to be written up. You will be able at once to comprehend it, by a mere examination, after having progressed thus far.

The Index (here omitted) would of course be needed, for convenient reference to the Leger.

LEGER, SET IV.

Wilson P. Jones, Jr. Dr. Cr.

1852.						
Dec.	1	To Shoeing Horses,				
		4 New Shoes @ 31 ¹ / ₂ ¢	1.25			
		4 Shoes, re-set, " 12 ² / ₅ ¢	.50	1	75	
"	10	" Repairing Wagon		2	25	
"	15	By Cash in full				4 00
				4	00	4 00

James B. Loughhead. Dr. Cr.

1852.						
Dec.	3	To Re-setting & Tires to Wagon		3	00	
"	"	" Mending King Bolt			25	
"	"	" 2 Nuts to Bolts			13	
"	23	" Shoeing Oxen \$1.50, Clevis 37¢	1	87		
"	"	" 6 Iron Wedges, different sizes,	3	38		
"	"	" Mending Eye to Trace chain		10		
"	27	By 4 Bush. Potatoes @ 35¢				1 40
"	31	" 16 lbs. Butter @ 20¢				3 20
"	"	" Bal. to New ¢				4 13
				8	73	8 73
1853.						
Jan.	1	To Bal. from Old ¢		4	13	

Herman Logan. Dr. Cr.

1852.						
Dec.	4	By 4 days' Work @ \$1.				4 00
"	11	" 5 ² " " " \$1.				5 50
"	"	To Cash on ¢		6	00	
"	18	By 4 ³ days' Work @ \$1.				4 75
"	25	" 5 " " " \$1.				5 00
"	31	" 3 ¹ " " " \$1.				3 25
"	"	To Cash in full		16	50	
				22	50	22 50

Wendall A. Lyons. Dr. Cr.

1852.									
Dec.	6	To 4 New Linch-Pins			38				
"	7	" 1 Pr. Iron Hinges for Barn			75				
"	"	" 1 " " " " "			62				
"	9	" Ironing Cart, as pr. agreement	10	50					
"	"	" Mending Plough	1	25					
"	17	" Repairs to Carriage	3	13					
"	"	By 10 Bush. Wheat @ \$1.					10	00	
"	20	" 4 " Corn " 50¢					2	00	
"	22	" 20 lbs. Cheese " 7¢					1	40	
"	"	To Mending Log Chain			25				
"	25	" Shoeing Horses, 5 New Shoes	1	56					
"	27	" Ironing York Wagon in the best manner, as agreed,	25	00					
"	"	" Making 3 Screws and Nuts			45				
"	"	" Mending Stirrup to Saddle			10				
"	28	" 4 New Teeth in Harrow			75				
"	29	" Irons on Whipple-trees	1	00					
"	"	By Cash on %					20	00	
"	"	" 15 Bush. Potatoes @ 35¢					5	25	
"	"	" 3 " Oats " 40¢					1	20	
"	30	To Log Chain	2	50					
"	"	" 1 Small Bolt			16				
"	"	" Mending Iron Kettle			44				
"	"	" Repairing Plough, as agreed	4	25					
"	"	By Cash on %					5	00	
"	31	To Putting Bands on Beetle			50				
"	"	" 3 Strong Latches to Barn Doors	1	13					
"	"	" 1 Bolt for Pump			19				
"	"	" Mending Shovel			31				
"	"	" " Manure Forks			62				
"	"	" Staple & Ring for Hitching-Post			38				
"	"	" Repairing Wheel-Barrow			94				
"	"	By Bal. to New %					12	31	
			57	16			57	16	
1853.									
Jan.	1	To Bal. from Old %	12	31					

LEGER, SET IV.

Orlando Chase. Dr. Cr.

1852.						
Dec.	10	By 4 lbs. Tea @ 45 ¢				1 80
"	"	" 1 " Allspice				13
"	"	" 2 " Raisins @ 12 ¢				25
"	16	To 5 " W ^o 's Nails for Doors @ 25 ¢	1	25		
"	21	" Iron Bar for Store Windows		88		
"	24	By 20 lbs. Brown Sugar @ 7 ¢				1 50
"	30	" 10 " Coffee " 9 ¢				90
"	"	" 1 Gal. Molasses				40
"	31	" 14 Yds. Merrimac Prints @ 12 ¢				1 75
"	"	" 30 ¢ " Lowell Sheetting " 10 ¢				3 05
"	"	" Balance to New ¢		7 65		
			9	78	9	78
1853.						
Jan.	1	By Bal. from Old ¢				7 65

Mrs. Mary Pennington. Dr. Cr.

1852.						
Dec.	28	To Ironing Sleigh, as agreed	15	00		

Joshua G. Snyder. Dr. Cr.

1852.						
Dec.	30	To Repairing Coal Grates	1	19		

BOOK-KEEPING
BY
DOUBLE ENTRY.

INTRODUCTION

TO

DOUBLE ENTRY BOOK-KEEPING.

BOOK-KEEPING by *Double Entry* is the keeping of accounts in such a manner that each entry contains *both a debit and a credit*, and hence the name.

Book-Keeping by *Single Entry*, as already explained, embraces the accounts of persons only; but in DOUBLE ENTRY Book-Keeping, *persons* and *things* are alike debited and credited, and accounts are kept, not only with individuals, but also with the different species of property in your possession, and with the different branches of your gains and losses in business. All accounts are *representative*, of whatever name or description; thus, accounts kept with persons represent your business relations with those persons, accounts kept with the different species of property in your possession represent your business relations with those different kinds of property, and accounts with the various branches of your gains and losses represent *you* as gaining or losing in business.

The *distinguishing feature* of Double Entry Book-Keeping consists in carrying out a mathematical principle of equilibrium, under the title of debtor and creditor, or of debits and credits. It is this: IN AMOUNT, EVERY DEBIT MUST HAVE A CREDIT, AND VICE VERSA, EVERY CREDIT MUST HAVE A DEBIT.* The particular *method* or *form* in which books are kept is not essential, so that they conform to the principles of Double Entry, and preserve strictly the equilibrium of debit and credit.

The *origin* of the science of keeping books by Double Entry has been a matter of much speculation by different writers on the subject, but nothing definite can be ascertained respecting it. McCulloch, in his Commercial Dictionary, says "it was first practised in Venice, Genoa, and other towns of Italy, where trade was conducted on an extensive scale at a much earlier date than in England, France, or other parts of Europe." Kelly, in his treatise on Book-Keeping, published in London in 1833, (first edition in 1801,) says "it is generally supposed to have been first practised at Venice in the fifteenth century, when that city

* Recollect that this equilibrium is an equilibrium of *amount*, and not in the number of debits and credits. One debit may be balanced by several credits, and one credit by several debits, if the gross amounts in each case are equal.

was the grand emporium of Europe;" although he adds, "it is remarkable that the first European who translated Algebra from the writings of the Arabians is also supposed to have written the first treatise on Book-Keeping. It was published in the Italian language at Venice, about the year 1495, by Lucas de Burgo, a friar, who likewise wrote several useful works on mathematical subjects." Colt, in a lecture delivered at Boston, says that the Italians "most likely picked up, among other things, all they ever knew of Double Entry Book-Keeping, at Constantinople, Alexandria, or some other Eastern city, whose traders more anciently may have practised it in their commerce with Northern Africa, Hindostan, and the countries bordering upon the Red Sea," and thinks it more likely that the Hanseatic merchants are the inventors of Double Entry than the Italians.

To whomsoever the credit *properly* belongs, the *Italians* have pretty generally received it, and that system of Double Entry which is shown in the first part of this treatise—embracing the Day-Book in history form, (originally called Waste-Book or Blotter,) the Journal, and Leger, as the main books of entry—is usually denominated the *Italian method*.

Since the publication of the first work at Venice, there had been previous to 1810, according to Isler, of Brussels, "150 authors on Book-Keeping in different parts of Europe, among whom he enumerates 70 in Germany, 25 in France, 7 in Holland, 3 in Italy, and 30 in England." Subsequent to that time, it is not improbable there have been as many writers on the subject; and this country has recently had its full share. The author of this work has examined upwards of 20 different treatises on Book-Keeping published in the United States since 1815, exclusive of a large number of small works on Single Entry.

There have been constant improvements in the method of keeping accounts, and very many changes made in the *form* and *use* of the different books, so as the better to adapt them to any specific class of business required; but these improvements have been made, for the most part, by practical accountants, and writers on the subject have by no means kept pace with the progress that has been made.

The old Italian method has been adopted in the first three Sets here shown, because it is the basis of all other forms, and therefore the best form from which to learn the first principles of the science. In the fourth and fifth Sets, I have shown another method which somewhat shortens the work and lessens the labor of the accountant; and I have prepared Set VI with particular reference to its practical character, as exhibiting one of the best forms for actual use, and one perhaps more used in the different kinds of business than any other one form. But in an elementary work like the present, it is impossible to exhibit the science in all its diversity, and to give all the various ways of keeping accounts by Double Entry which have been adopted to facilitate the operations of book-keepers in the various departments of trade and commerce, in the professions, manufactures, and mechanics.

Those wishing a more comprehensive treatise are referred to my

counting-house edition, which embraces a large variety of *practical labour-saving forms*, and which will afford sufficient information to every business man to enable him properly to adapt his books to his business.

The main books of entry in the Italian method, as already stated, are the Day-Book, Journal, and Leger. More or less auxiliary books are used in connection with these, according to the nature of the business transacted; but as a knowledge of these auxiliaries is easily obtained, it is not thought best to encumber the mind of the student with them at first, and they are accordingly omitted until a subsequent part of the work.

DEBTOR AND CREDITOR DEFINED.

DEBTOR signifies the *person or thing* which is held bound, which owes, or which is under obligation.

CREDITOR signifies the *person or thing* which holds bound, which is owed, or which has conferred an obligation.

Therefore, whenever any personal account, property account, or account of gains and losses is debited on your books, it signifies that the person or thing represented thereby owes you; and whenever any account is credited on your books, it signifies that you owe the person or thing so represented.

GENERAL RULE

FOR JOURNALIZING TRANSACTIONS, OR

FOR DETERMINING WHAT TO DEBIT AND WHAT TO CREDIT.

Transactions or trades have their foundation in exchanges of value. In every trade in which you are interested, value (real or supposed) goes from your possession, and value is also received by you. The value with which you part is either given for the use and benefit of some person, without his immediately remunerating you for it, thus making him your debtor; or else it is given for some species of property or some branch of your gains and losses, which thus becomes your debtor, for this cost or outgo. The value which you receive is either furnished by some person, without your immediately remunerating him for it, thus rendering him your creditor; or else is paid for through the medium of some species of property or some branch of your gains and losses, which thus become your creditor, for this value produced.

As *value exchanged* is the basis of all trade, it should also be the basis of any rule or rules for entering transactions which occur in the course of trade; and the great value of *good rules* consists not in their arbitrarily producing results, but in their containing within themselves the *reason* for such results, so that the learner cannot *apply* the rules without *understanding* the subject-matter.

The following **GENERAL RULE** for *journalizing transactions*, (or for *determining what to debit and what to credit*,) is believed to be of such a character, and to be applicable to every transaction that will occur in the ordinary course of trade, whether on a limited or on an extended scale.

RULE.

IN STOCK BOOKS.

Any person or thing is **DEBTOR** when you give value or become obligated for it.

Any person or thing is **CREDITOR** when it produces value or renders service for you.

IN PARTNERSHIP BOOKS.

Any person or thing is **DEBTOR** when the firm give value or become obligated for it.

Any person or thing is **CREDITOR** when it produces value or renders service for the firm.

Or, Briefly.

IN STOCK BOOKS.

DEBIT *what COSTS you value.*

CREDIT *what PRODUCES you value.*

IN PARTNERSHIP BOOKS.

DEBIT *what COSTS the firm value.*

CREDIT *what PRODUCES the firm value.*

NOTE.—The above Rule will not apply for determining the opening Journal entry of individual or stock books, since the Rule is only applicable to transactions between two or more parties in business; but it will apply to the opening entry of partnership books, as there must necessarily be an agreement or bargain between the parties at the commencement of business.

SET I, DOUBLE ENTRY.

It should be borne in mind that each set is intended to represent a business by itself, independent of the others, and particular attention should be paid to the opening and closing of each, to discover clearly the various exhibits made of capital invested, gains or losses in business, and net capital or insolvency resulting therefrom. The continuance of each set for one *month* is intended to represent a *year*, this being as often as books are closed in a majority of houses, although some close every six months.

EXPLANATORY REMARKS, SET I.

THE DAY-BOOK.

THE Day-Book, in the Italian method, is a plain history of your business transactions, written in the order and date of their occurrence. It is necessary to open the Day-Book by giving therein a statement of your effects at the commencement of business, and also of what debts you owe. Afterward record in detail every transaction that occurs in the course of business, making the entry, in *history form*, in as few words as possible and have it complete. [See Day-Book, page 91.]

THE JOURNAL.

The Journal is used for arranging under Leger titles the entries that have been previously made in the Day-Book, and for affixing to each Leger title the correct amount of debit or credit, which is called journalizing. This is done that the accounts may with ease be collected under their proper heads in the Leger.

There are various styles of Journal. The one first given in this work has two dollar and cent columns, one for the debits and one for the credits. The debtors are written first, commencing at the left-hand marginal line, and having their amounts extended into the debit column. The creditors are designated by commencing at a short distance from the left-hand marginal line, by being prefixed with the word "To," and by having their amounts extended into the credit column. [See Journal, page 94.]

THE LEGER.

The Leger may be appropriately styled the *grand reservoir* of accounts, into which all records in the other books flow as naturally as streams to the ocean. It may also be styled *the business-man's directory*, from which he can refer to the details contained in the books of original entry, with the same ease as he would trace out the residence of a friend by searching the street and number in the City Directory. Its principal use is to collect under one head all sums belonging to the same account. Copying from the Journal to the Leger is called Posting. By examining the Leger, and tracing out a few postings, you will see that there are spaces ruled for particular purposes—viz. for the date, the name of balancing entry to each debit or credit, the folio of Journal, and the amount—and that the form and mode of entry in a Double Entry Leger is very nearly similar to Single Entry.

You will observe, however, that in the subsequent pages of this work, the debit and credit sides of every account in the Legers are both embraced on the same page, which is the usual method, especially in Double Entry.

NOTE.—"By," whenever used in any of the books, is the *prefix* of the *debtor*, although generally placed on the creditor side of an account; and "To" is the *prefix* of the *creditor*, although generally placed on the debtor side of an account.

BILLS RECEIVABLE.

Bills Receivable may be defined as follows :

- 1st. A note in our possession, drawn by another person, payable to us or order.
- 2d. A note drawn by another person, purchased by us, although not originally made payable to us.
- 3d. A draft or bill of exchange drawn by one party on a second, and coming into our possession as a third party, whether accepted or not.
- 4th. Our draft on another, accepted by him and retained in our possession.

BILLS PAYABLE.

- 1st. Our note payable to another person.
- 2d. A draft or bill of exchange on us, and accepted by us.
- 3d. Any bond or obligation in contract, with our signature, and requiring payment of us.

NOTE 1.—Notes are said to be *negotiable* when they are drawn in such form as to be *transferable* from one party to another, and may be collected by the last party to whom transferred.

NOTE 2.—The above definitions of Bills Receivable and Bills Payable have been here given, to enable the student more readily to comprehend them in future entries; and when he has any difficulty in determining what should be called Bills Pay. or Bills Rec., he will do well to read them over.

INSTRUCTIONS FOR WRITING UP, SET I.

Write Set I on loose sheets for practice, (prior to writing Sets II and III in the blank books which accompany this treatise.) Rule sufficient paper for the purpose after the forms shown, and then copy off all the entries in the Printed Day-Book.

JOURNALIZING.—From this Day-Book, so copied, make out your Journal, relying as far as possible upon your own reasoning powers, in the application of the *general rule* for journalizing and of the explanations contained on the preceding pages. When you cannot determine the correct entry yourself, you may refer to the printed Journal, and pattern after it, but in every such case, as well as where you make your own entry, you should carefully read over the elucidation found underneath the entry, in the printed Journal; and make the *reason* of each debit and credit perfectly understood before you proceed to the subsequent entry. I cannot too firmly impress this upon your mind, for the clear comprehension of the whole science of Double Entry hinges, as it were, upon a thorough acquaintance with the principles of journalizing; and although the Journal is now often laid aside in actual business, yet you must thoroughly understand how to use it, in order to be able to do without it.

INSTRUCTIONS (*continued*).

OPENING THE JOURNAL.—The name usually given to an individual in business by himself is *Stock*, and his books are called *Stock books*, in contradistinction to *Partnership books*: you may therefore consider *Stock* as your *alias*, and debit and credit yourself under that title. On opening the Journal at the commencement of business, debit each person that owes you for the amount of his indebtedness, and each species of property in your possession for its value, thus expressing their obligation to you; and credit *Stock* (yourself) for the whole amount of your effects invested, consisting of this indebtedness of persons and value of property. Again, debit *Stock* (yourself) for all your indebtedness; and credit each person the amount you owe him, and each property account the amount of your obligation, as shown under that head. Your own name can be used instead of *Stock*, if preferred.

When two or more persons are associated in business, their books are called *Partnership books*; for the method of opening which, see Set IV.

POSTING.—Having journalized all the transactions recorded in the Day-Book, the next step is to *post* them, *i. e.* transfer them from the Journal to the Leger. This process I will endeavor to explain to you.

Look at the first entry in your Journal, "*Sundries Dr. To Stock,*" and you will perceive that *Stock* is Cr. \$5,815.00, which is now to be transferred to the account of *Stock* on the Leger. After *opening* this account thus, "*DR.—STOCK—CR.,*" shown in the Leger here given, place underneath this heading, on the credit side, the date of Journal entry, what *Stock* is Cr. by, the Journal folio from which the post is made, and the amount. Having done this, you post-mark the entry; *i. e.* place, in the left-hand margin of the Journal, the folio of the Leger to which it is posted. This completes the first post. Next comes the Drs. of this entry, of which *Merchandise* is the first. Open an account for it thus, "*DR.—MERCHANDISE—CR.,*" below *Stock* on the same folio, leaving enough lines intervening between the two to receive all the posts which are to be made to the *Stock* account. Underneath this second heading, on the debit side, place the date, description, Journal folio, and amount, as directed for *Stock*, and lastly post-mark it in the Journal. Next take the debit to *Cash*: open an account for *Cash* in the Leger, and post as directed for *Merchandise*. The whole of the first entry in the Journal is now posted.

The second entry requires two posts, one to the debit of *Cash*, and one to the credit of *Merchandise*, which two accounts you have already opened on the Leger. This entry will also require two post-marks, the upper one for the debit, and the lower one for the credit.

Proceed in this manner regularly, opening new accounts as you come to them, until the whole Journal is posted, when you will be ready to take a *Trial Balance*; for an explanation of which see page 101.

DAY-BOOK, SET I.

1

Philadelphia, January 1st, 1852.

✓ *	Inventory of my effects on commencing business:		
	400 Yds. Blk. Eng. Cloths @ \$3	1,200.00	
	460 " Ass'd " Do. @ \$2.50	1,150.00	
	720 " Blk. " Cassimeres @ \$1.50	1,080.00	
	385 " Ass'd " Do. @ \$1	385.00	
		<u>3,815.00</u>	
	Cash on hand.	<u>2,000.00</u>	5,815 00
	2d		
✓	Sold, for Cash, to Isaac Bates		
	100 Yds. Ass'd Eng. Cloths @ \$3.	300.00	
	160 " Blk. " Cassimeres @ \$2.	320.00	620 00
	3d		
✓	Sold to James Melrose, for his Note @ 30 days,		
	190 Yds. Ass'd Eng. Cassimeres @ \$1.16		220 40
	5th		
✓	Sold to Philip Somers on $\frac{7}{8}c$		
	175 Yds. Blk. Eng. Cloths @ \$3.75		656 25
	"		
✓	Bought of Nathan S. Faxon, for Cash,		
	225 Yds. Blue Eng. Cloths @ \$3.25.		731 25
	6th		
✓	Bought of James Walton, on my Note @ 60 days,		
	350 Yds. Blk. Fr. Cloths @ \$4.	1,400.00	
	195 " " " Cassimeres @ \$2.	390.00	
	200 " " " Eng. Do. @ \$1.	200.00	1,990 00
	8th		
✓	Bought of Elihu Barnes on $\frac{7}{8}c$, @ 90 days,		
	238 Yds. Ass'd Fr. Cassimeres @ \$1.25		297 50
	9th		
✓	Sold to Wm. Alexander 250 Yds. Blk. Fr. Cloths @ \$5.		1,250 00
	Received in Payment, Cash, 450.00		
	His Note @ 30 days, for the Bal. 800.00	1,250.00	
			<u>11,580 40</u>

* These check-marks indicate that the entries have been journal-
ized, and should be placed opposite each entry as soon as it is
transferred to the Journal. Some use the Journal folio instead.

Philadelphia, January 12th, 1852.

	Am't Bro't forward	11,580 40
✓	Sold to Thomas Carpenter & Co. 195 Yds. Blk. Fr. Cassimeres @ \$2.25 Received Cash in part payment 300.00 The remainder sold on $\frac{c}{c}$ 138.75	438 75
	13th	
✓	Paid Cash to L. W. Camden, for repairs of Store	50 00
	19th	
✓	Sold to Martin Pemberton, on $\frac{c}{c}$, 125 Yds. Blue Eng. Cloths @ \$4.	500 00
	20th	
✓	Sold to Philip Somers 230 Yds. Ass'd Eng. Cassimeres @ \$3. Received payment in part by Elihu Barnes' Note, in favor of P. Somers, due Mar. 4th, Amt. 350.00 The Balance sold on $\frac{c}{c}$ 340.00	690 00
	22d	
✓	Bought of Elihu Barnes 400 Yds. Ass'd Eng. Cassimeres @ \$1.50 Paid in part by his Note, favor of P. Somers, due March 4th, 350.00 The Balance purchased @ 30 days' credit 250.00	600 00
	23d	
✓	Bought of Ezra Peterson 240 Yds. Ass'd Fr. Cloths @ \$3. Paid Cash in part 400.00 Balance on $\frac{c}{c}$ 320.00 720.00	720 00
	24th	
✓	Received Cash of Philip Somers on $\frac{c}{c}$	656 25
	26th	
✓	Sold to Thomas Carpenter & Co. 220 Yds. Ass'd Fr. Cloths @ \$3.40 Received an order of Sam'l W. Fairbairn, on me 400.00 Cash 200.00 Balance on $\frac{c}{c}$ 148.00	748 00
	92	15,983 40

DAY-BOOK, SET I.

3

Philadelphia, January 27th, 1852.

		Am't Bro't forward	15,983 40
✓	Appropriated Cash for Personal Expenses.		60 00
		29th	
✓	Sold to Thomas Carpenter & Co.		
	225 Yds. Blk. Eng. Cloths @ \$3.75	843.75	
	130 " Ass'd " Do. @ \$3.	390.00	
	200 " Blk " Cassimeres @ \$1.25	250.00	
	195 " Ass'd " Do. @ \$1.16	226.20	1,709 95
	Received in Payment, Cash	569.98	
	Their Note @ 60 days	569.98	
	Balance on % @ 30 days	569.99	1,709.95
		31st	
✓	Paid to Ezra Peterson Cash in full of his %		320 00
		"	
✓	Paid Cash for Rent of Store one month	75.00	
	" Clerk-hire " "	75.00	
	" Gas Bill " "	5.00	155 00
			18,228 35

Philadelphia, January 1st, 1852. Dr. Cr.

L. F. *1	Sundries	Dr.	To Stock			5,815 00
1	Merchandise			3,815 00		
1	Cash			2,000 00		
	You must imagine this to be your own business, and bear in mind that "Stock," as here used, does not mean goods on hand, but represents you, instead of your own name. This entry means simply <i>Sundries Dr.</i> , and <i>Stock (yourself) Cr.</i> Under the heading "Sundries," the several items which make up the sundries are always enumerated:—in this case, as you see, the items are <i>Mdse.</i> and <i>Cash</i> , each of which is considered as obligated, or indebted to you for its value. You are credited, under the title of <i>Stock</i> , for the Effects invested by you in business. See remarks on the opening of the Journal, page 90.					
	2d					
1 1	Cash	Dr.	To Merchandise	620 00		620 00
	The Cash which you get in this trade has cost you <i>Mdse.</i> to the value of \$620, and is considered as owing you for its cost. The <i>Mdse.</i> which you have sold has been the means of your receiving \$620 in Cash, and you are considered indebted to it for the value produced; therefore, <i>Cash</i> is <i>Dr.</i> because it has cost value.— <i>Mdse.</i> is <i>Cr.</i> because it has produced value. <i>Be</i> —Be careful to notice the form of each entry, and the manner of extending the amounts into the columns. In this case you perceive both a debit and credit extension on the same line. Notice, also, that several items of the same kind of property do not constitute sundries in the Journal, but the term <i>Sundries</i> is the caption when there are several <i>Leger titles</i> .					
	3d					
2 1	Bills Receivable	Dr.	To Merchandise	220 40		220 40
	By this transaction a <i>Note</i> is received for <i>Mdse.</i> , instead of Cash, as in the preceding entry. <i>Bills Rec.</i> costs value, and is <i>Dr.</i> — <i>Mdse.</i> produces value, and is <i>Cr.</i>					
	5th					
2 1	Philip Somers	Dr.	To Merchandise	656 25		656 25
	You do not here receive immediate payment for the <i>Mdse.</i> sold, as in the two preceding entries; value has not, therefore, been given for Cash or Bills Rec., or any other species of property, and no property account is <i>Dr.</i> —But value has gone from your possession in <i>Mdse.</i> to the amount of \$656.25, for the use and benefit of <i>Philip Somers</i> , without his remunerating you for it; therefore he has been the occasion of an outgo, or expense, to you; in other words, has cost you value, and is <i>Dr.</i> <i>Mdse.</i> has produced value in his indebtedness, and is <i>Cr.</i>					
	"					
1 1	Merchandise	Dr.	To Cash	731 25		731 25
	This and the two following entries are the exact counterparts of the three preceding ones. Here <i>Mdse.</i> costs value in Cash:—Cash produces value by paying for the <i>Mdse.</i>					
	* Omit the Leger folio until you post. † Whenever, as in this case, I am speaking of the Leger account of "Bills Rec." or "Bills Pay.," I use the singular verb, because the noun is really singular, although the word "Bills," of itself, is plural.					
				8,042 90		8,042 90

JOURNAL, SET I.

2

Philadelphia, January 6th, 1852. Dr. Cr.

L. F.					
1		Am'ts Bro't forward	8,042 90	8,042 90	
2		Merchandise Dr. To Bills Payable	1,990 00	1,990 00	
		Mdse. costs value in your Note:—Bills Pay. produces value by paying for the Mdse.			
1		8th			
2		Merchandise Dr. To Elihu Barnes	297 50	297 50	
		Mdse. costs value in your indebtedness to Barnes:—E. Barnes produces value by furnishing you with the goods without pay.			
		9th			
1		Sundries Dr. To Merchandise		1,250 00	
1		Cash	450 00		
2		Bills Receivable	800 00		
		Sundries—to wit, Cash and Bills Rec.—have cost you value in Mdse., and each is Dr. for its cost. Mdse. has produced value in the Cash and Note, and is Cr.			
		12th			
1		Sundries Dr. To Merchandise		438 75	
1		Cash	300 00		
3		Thomas Carpenter & Co.	138 75		
		Cash and T. Carpenter & Co. have each caused you to part with Mdse., and have thus been a cost to you. Mdse. has produced you value in Cash and the indebtedness of Carpenter & Co.			
		13th			
3		Store Expenses Dr. To Cash	50 00	50 00	
1		Store Expenses have cost you value, and are Dr.—Cash has produced you value, by paying for repairs, and is Cr.			
		19th			
3		Martin Pemberton Dr. To Merchandise	500 00	500 00	
1		The elucidation of the entry of the 5th inst. will fully explain this transaction.			
		20th			
1		Sundries Dr. To Merchandise		690 00	
2		Bills Receivable	350 00		
2		Philip Somers	340 00		
		You have given Mdse. to the value of \$690 for Barnes' Note and for Somers' obligation: therefore, Bills Rec. and P. Somers are Dr. for what they cost you, and Mdse. is Cr. for the value it produces you.			
		22d			
1		Merchandise Dr. To Sundries	600 00		
2		To Bills Receivable		350 00	
2		" Elihu Barnes		250 00	
		Mdse. costs \$800, and is Dr.—Bills Rec. and E. Barnes produce value; Bills Rec. by paying for part of the goods, Barnes by furnishing part without pay.			
			13,859 15	13,859 15	

Philadelphia, January 23d, 1852. Dr. Cr.

L. F.					
		Am'ts Bro't forward	13,859 15	13,859 15	
1		Merchandise Dr. To Sundries	720 00		
1		To Cash		400 00	
3		" Ezra Peterson		320 00	
		Mdse. costs value.—Cash and E. Peterson produce value.			
		24th			
1		Cash Dr. To Philip Somers	656 25	656 25	
2		Cash has cost you the former indebtedness of Somers.— Somers has produced value by paying his account.			
		26th			
1		Sundries Dr. To Merchandise		748 00	
3		Samuel W. Fairburn	400 00		
1		Cash	200 00		
3		Thomas Carpenter & Co.	148 00		
		An Order is a request in writing that you will pay a certain sum for another person. Here you have parted with Mdse. to the value of \$400, at the request of S. W. Fairburn; thus he has cost you that much, and owes you for it, or is Dr.			
		For remainder of entry, see elucidation of 12th inst.			
		27th			
4		Personal Expenses Dr. To Cash	60 00	60 00	
1		Personal Expenses cost value; Cash produces value by paying these expenses.			
		29th			
1		Sundries Dr. To Merchandise		1,709 95	
1		Cash	569 98		
2		Bills Receivable	569 98		
3		Thomas Carpenter & Co.	569 99		
		Sundries cost value in Mdse.			
		31st			
3		Ezra Peterson Dr. To Cash	320 00	320 00	
1		Peterson costs you \$320 in Cash.—Cash produces value by paying the debt.			
		"			
3		Store Expenses Dr. To Cash	155 00	155 00	
1		Store Expenses cost value in Cash.			
			18,228 35	18,228 35	

LEGER, SET I.

1

Dr.

Stock.

Cr.

Date.	Balancing Entry.	J. F.	Amount.	Date.	Balancing Entry.	J. F.	Amount.
1852. Jan. 31	To Bal. (Net Exp.)	4	6,752 10	1852. Jan. 1	By Sundries	1	5,815 00
				" 31	" P. & Loss	4	937 10
			6,752 10				6,752 10

Dr.

Merchandise.

Cr.

1852. Jan. 1	To Stock	1	3,815 00	1852. Jan. 2	By Cash	1	620 00
" 5	" Cash	1	731 25	" 3	" Bills Rec.	1	220 40
" 6	" Bills Pay.	2	1,990 00	" 5	" P. Somers	1	656 25
" 8	" E. Barnes	2	297 50	" 9	" Sundries	2	1,250 00
" 22	" Sundries	2	600 00	" 12	" "	2	438 75
" 23	" "	3	720 00	" 19	" M. Pemberton	2	500 00
" 31	" P. & Loss, (gain)	4	1,202 10	" 20	" Sundries	2	690 00
				" 26	" "	3	748 00
				" 29	" "	3	1,709 95
			9,355 85	" 31	" Bal. (Inv't.)	4	2,522 50
							9,355 85

Dr.

Cash.

Cr.

1852. Jan. 1	To Stock	1	2,000 00	1852. Jan. 5	By Mdse.	1	731 25
" 2	" Mdse.	1	620 00	" 13	" Store Exp's.	2	50 00
" 9	" "	2	450 00	" 23	" Mdse.	3	400 00
" 12	" "	2	300 00	" 27	" Per. Exp's.	3	60 00
" 24	" P. Somers	3	656 25	" 31	" E. Peterson	3	320 00
" 26	" Mdse.	3	200 00	" "	" Store Exp's.	3	155 00
" 29	" "	3	569 98				1,716 25
			4,796 23	" 31	" Bal. (on hand)	4	3,079 98
							4,796 23

LEGER, SET I.

Dr.

Bills Receivable.

Cr.

1852.			J. F.		1852.		J. F.		
Jan.	3	To Mdse.	1	220 40	Jan.	22	By Mdse.	2	350 00
"	9	" "	2	800 00	"	31	" Bal. (unpaid)	4	1,590 38
"	20	" "	2	350 00					
"	29	" "	3	569 98					
		1,940.38		1,940 38					1,940 38

Dr.

Philip Somers.

Cr.

1852.					1852.				
Jan.	5	To Mdse.	1	656 25	Jan.	24	By Cash	3	656 25
"	20	" "	2	340 00	"	31	" Bal. (due me)	4	340 00
		996.25		996 25					996 25
<hr/>			<hr/>		<hr/>			<hr/>	

Dr.

Bills Payable.

Cr.

1852.					1852.			
Jan.	31	To Bal. (unpaid)	4	1,990 00	Jan.	6	By Mdse.	2 1,990 00

Dr.

Elihu Barnes.

Cr.

1852.					1852.				
Jan.	31	To Bal. (due him)	4	547 50	Jan.	8	By Mdse.	2	297 50
					"	22	" "	2	250 00
				547 50					547 50

LEGER, SET 1.

3

Dr.

Thomas Carpenter & Co.

Cr.

1852.			J. F.		1852.		J. F.	
Jan.	12	To Mdse.	2	138 75	Jan.	31	By Bal. (due me)	4 856 74
"	26	" "	3	148 00				
"	29	" "	3	569 99				
				856 74				856 74

Dr.

Store Expenses.

Cr.

1852.					1852.				
Jan.	13	To Cash	2	50 00	Jan.	31	By P. & Loss (loss)	4	2 05 00
"	31	" "	3	155 00					
		205.00		205 00					205 00

Dr.

Martin Pemberton.

Cr.

1852.					1852.				
Jan.	19	To Mdse.	2	500 00	Jan.	31	By Bal. (due me)	4	500 00

Dr.

Ezra Peterson.

Cr.

1852.					1852.				
Jan.	31	To Cash	3	320 00	Jan.	23	By Mdse.	3	320 00

Dr.

Samuel W. Fairburn.

Cr.

1852.					1852.				
Jan.	26	To Mdse.	3	400 00	Jan.	31	By Bal. (due me)	4	400 00

LEGER, SET I.

<i>Dr.</i>		<i>Personal Expenses.</i>				<i>Cr.</i>	
1852.		J. F.		1852.		J. F.	
Jan.	27 To Cash	3	60	00	Jan.	31 By P. & Loss, (loss)	4 60 00

<i>Dr.</i>		<i>Profit & Loss.</i>				<i>Cr.</i>	
1852.				1852.			
Jan.	31 To Store Exp's	3	205	00	Jan.	31 By Mdse.	1 1,202 10
"	" " Per. "	4	60	00			
"	" " Stock (net gain)	1	987	10			
			1,202	10			1,202 10

<i>Dr.</i>		<i>Balance.</i>				<i>Cr.</i>	
1852.				1852.			
Jan.	31 To Mdse.	1	2,522	50	Jan.	31 By Bills Pay.	2 1,990 00
"	" " Cash	1	3,079	98	"	" " E. Barnes	2 547 50
"	" " Bills Rec.	2	1,590	38			
"	" " P. Somers	2	340	00	"	" " Stock (Net Cap.)	1 6,752 10
"	" " Carpenter & Co	3	856	74			
"	" " M. Pemberton	3	500	00			
"	" " S. W. Fairburn	3	400	00			
			9,289	60			9,289 60

TRIAL BALANCE, LEGER, SET I.

L. F.	Leger Titles.	Dr. Amount Columns.		Cr.		Dr. Difference Columns.		Cr.	
1	Stock - - - -			5,815	00			5,815	00
1	Merchandise -	8,153	75	6,833	35	1,320	40		
1	Cash - - - -	4,796	23	1,716	25	3,079	98		
2	Bills Receivable	1,940	38	350	00	1,590	38		
2	Philip Somers -	996	25	656	25	340	00		
2	Bills Payable -			1,990	00			1,990	00
2	Elihu Barnes -			547	50			547	50
3	T. Carpenter & Co.	856	74			856	74		
3	Store Expenses -	205	00			205	00		
3	Martin Pemberton	500	00			500	00		
3	S. W. Fairburn -	400	00			400	00		
4	Personal Expenses	60	00			60	00		
		17,908	35	17,908	35	8,352	50	8,352	50

The *Trial Balance* of the Leger is made when the Journal is all posted to it, to ascertain whether equal amounts of debits and credits have been posted, or if the whole Leger balances.

It is made in the following manner:—First, add up the debit and credit side of each account in the Leger, and place their amounts to the left of the dollar column, with a pencil, as shown by the small figures in the Leger given. Then, having headed the Trial Balance, write down in it the titles of the several Leger accounts, commencing with Stock; and place opposite each title, in the amount columns, the debit and credit footings, as set down with a pencil in the Leger: also, place in the difference columns the differences between these debit and credit footings. Accounts that balance in the Leger need not be brought in. The left-hand marginal column is for the Leger folio.

Add up the several columns of the Trial Balance. Now, since for every debit made upon the Leger there has been an equal amount of credit, and for every credit an equal amount of debit; and since the amount columns of the Trial Balance embrace every debit and credit upon the Leger, (except those accounts whose debits and credits are equal;) therefore, the debit and credit totals of these amount columns must be equal. And, if the totals of the amount columns are equal, then the totals of the difference columns must also be equal. If this equilibrium does not exist, there is an error, which must be sought.*

A Trial Balance may be taken with the amount columns only, or with the difference columns only. The latter is the usual mode in business; and, in subsequent Trial Balances in this work, the differences of the Leger accounts will only be used. In a real business, the Trial Balance *may* be taken monthly, and *should* be taken as often as once in three months, even though the books are closed but once a year.

You will next find use for the Inventory.

* For manner of detecting and correcting errors, see page 143.

INVENTORY-BOOK OR ACCOUNT-STOCK-BOOK, SET I.

Inventory of Mdse. remaining unsold Jan. 31, 1852 :				
100 yds.	Blk. Fr. Cloths,	@ \$4.		400 00
20 "	Ass'd " do.	@ \$3.		60 00
100 "	Eng. Blue do.	@ \$3.25		325 00
560 "	Blk. Eng. Cassimeres,	@ \$1.50		840 00
400 "	Ass'd " do.	@ \$1.50		600 00
238 "	" Fr. do.	@ \$1.25		297 50
				2,522 50

This is a small book used to take down the Inventory of goods remaining unsold at any time, generally called by merchants "taking an account of stock,"—*stock, as here used*, meaning goods on hand, and *not* your own name in business, as it does in the Journal and Leger. This Inventory, or account of stock, is taken by actual observation and estimate of the goods or other property remaining on hand, either at cost price or at the estimated value; and is usually made out once a year, as most houses close their books yearly; but houses that close their books semi-yearly, must take an account of stock once in six months, as the property on hand is always made use of in closing the Leger.

In *this set*, if you will go over the Day-Book, carefully selecting the goods of each kind bought, adding them to those of the same kind on hand at commencing business, and deducting therefrom those of the same kind sold, you will find whether the Inventory here given is correct. This test of correctness would not generally be practicable in business, owing to the diversity and number of items bought and sold.

Having thus described how the Inventory is taken, I will now explain what use is made of it in closing the Leger.

ON CLOSING THE LEGER.

Preparatory Steps. After making a Trial Balance, open a Profit and Loss account, (unless previously opened,) and a Balance account. Next *bring in the property on hand, i. e.* place to the *credit* of each speculating* property account, in the Leger, the amount of property belonging to that account, as shown by the Inventory-Book. Enter this in *red ink*, giving the date on which you close, and saying "*By Balance (Inv't.)*;" to show that it is to be transferred to the Balance account; and make the *opposite* entry immediate on the *debit* side of Balance account, in *black ink*, saying "To Mdse.," or "To" whatever property account you have just made the red ink entry. In the column usually occupied by Journal folios, place the Leger folio of the account indicated by the entry.

* Each account representing any species of property, which you buy and sell to speculate upon—as Mdse. or Real Estate.

ON CLOSING THE LEGER (*continued*).

This entry of the property unsold is sometimes made through the Day-Book and Journal; but considering this useless labor, I have adopted the shorter and simpler method of placing it directly upon the Leger.

All speculating property accounts must have the balances of property unsold credited to them in this manner, before they are closed. In this set there is only one such account—Merchandise; and the whole of the goods unsold must be credited to it.

The Leger is now ready for closing. Leave Stock open for the present. Commence at the first account after Stock, and close each account which shows a gain or loss into Profit and Loss, and each account which shows a balance that will add either to your resources or liabilities into Balance. It will suffice my present purpose to state, in short, that Merchandise, Bank Stock, and all other speculating property accounts—Premium, Interest, and Discount—Personal Expenses—Store Expenses, and all similar accounts, show gains and losses, and are closed into Profit and Loss; while Cash—Bills Receivable—Bills Payable—Bank—accounts with individuals, and the like, show balances, and are closed into Balance.

To close an account, find the difference between the debit and credit side of it by subtraction, and enter this difference on the *smaller* side of said account in *red ink*, saying "To" or "By" that account into which you wish to close it; and then enter the same amount in *black ink* on the opposite side of the account into which you close it, saying "To" or "By" the account you are closing. Then rule the account with red ink, and add it up with black ink, after the pattern given you, and the closure is complete.

Make all closing and transfer entries and all rulings in the Leger in red ink. *Italics* in the Legers given in this work indicate red ink. Continue thus to close the accounts successively, until only Stock, Profit and Loss, and Balance remain open.

In order to prove that your work thus far has been done correctly, you may now take another test, which I shall call a Second Trial Balance. This Second Trial Balance, as you see, consists of the three accounts now open, and its debit and credit totals must be equal, since, throughout the closure of the Leger, every debit has had its credit, and every credit its debit.

SECOND TRIAL BALANCE, LEGER, SET I.

L. F.	Leger Titles.	Dr. Amount Columns.		Cr.	Dr. Difference Columns.		Cr.
1	Stock - - - -			5,815 00			5,815 00
4	Profit & Loss -	265	00	1,202 10			937 10
4	Balance - - -	9,289	60	2,537 50	6,752	10	
		9,554	60	9,554 60	6,752	10	6,752 10

ON CLOSING THE LEGER (*continued*).

Finally.—After proving your work thus far, close Profit and Loss into Stock, thus transferring your net gains or losses in business to the account which is your own representative. The difference between the two sides of the Stock account will now show your net capital or your net insolvency, which you must close into Balance, making the last entry in Balance account also in *red ink*, as it becomes the closing entry to that account. This completes the closing of the Leger.

NOTE.—In real business, neither the Balance account is used, nor the Second Trial Balance, as here shown. But of this you will be informed in Set IV.

STATEMENTS, SET I.

If you have carefully considered what is embraced in the foregoing pages, you will have acquired, I think, a pretty clear idea of the business represented in Set I; but, to make it still plainer, and also to give you more general ideas of what is embodied in the Leger, I will show you some abstracts from it, in the form of statements, (worded as if drawn off by yourself from your own Leger,) by which your capital at commencing business, your gains during business, and your net capital at closing, will be clearly represented.

Statement 1st, showing Net Gains.

I have <i>gained</i> , as shown on the <i>credit</i> side of <i>Profit & Loss</i> %,			
By trading in Merchandise	-	-	\$1,202.10
I have <i>lost</i> , as shown on the <i>debit</i> side of <i>Profit & Loss</i> %,			
By payment of Store Expenses	-	-	\$205.00
" " Personal do.	-	-	60.00
Deduct <i>total losses</i>	-	-	265.00
My <i>net gains</i> in the business are	-	-	\$937.10

Statement 2d, showing Net Capital at closing.

My <i>available means</i> , called " <i>Resources</i> ," or " <i>Assets</i> ," are shown upon the <i>debit</i> side of Balance %, and consist of			
Merchandise remaining unsold to the am't of	-	-	\$2,522.50
Cash on hand	-	-	3,079.98
Bills Receivable, or other persons' notes held by me	-	-	1,590.38
The indebtedness of P. Somers	-	-	340.00
" " " T. Carpenter & Co.	-	-	856.74
" " " M. Pemberton	-	-	500.00
" " " S. W. Fairburn	-	-	400.00
<i>Total resources</i>	-	-	\$9,289.60
My <i>indebtedness</i> , called " <i>Liabilities</i> ," is shown upon the <i>credit</i> side of Balance %, and consists of			
Bills Payable, outstanding against me	-	-	\$1,990.00
Amount due E. Barnes	-	-	547.50
Deduct <i>total liabilities</i>	-	-	2,537.50

My *net capital*, or *present worth*, is \$6,752.10

Which is the excess of debit in the Balance %.

STATEMENTS (*continued*).

STATEMENT 3D, PROVING STATEMENTS 1ST AND 2D.

The amount of *Effects invested* by me at the commencement of business, as shown by the *credit* side of *stock* $\frac{a}{c}$, is \$5,815.00
The *net gains*, shown on *credit* side of *stock*, and by statement 1st, are 987.10

Thus, the *net capital* or *present worth*, as by statement 2d, is \$6,752.10
Which is seen also in Stock $\frac{a}{c}$.

NOTE.—If any additional investment had been made by you during the business, it would find its place also upon the *credit* side of Stock account. The *debit* side of Stock account contains the amount of your *indebtedness* at commencing, any sums withdrawn by you during the business, and your *net losses* in business; but in Set I, nothing has occurred requiring a debit to it.

Therefore :—

In a gaining business, commencing with net capital,

To find your present worth, or net capital at closing :

- 1st. Add the net gains in business to the net capital at starting.
- 2d. Deduct the total liabilities from the total assets.

To find your net gains in business :

- 1st. Deduct the total losses from the total gains.
- 2d. Deduct the net capital at starting from the present worth.

QUESTIONS FOR REVIEW, SET I.

What is Book-Keeping by Double Entry? How does Double Entry Book-Keeping differ from Single?

What do accounts with persons represent?

What do accounts with the different species of property represent?

What do accounts with the various branches of your gains and losses represent?

What is the *distinguishing feature* of Double Entry?

Is an equilibrium in the number of debits and credits required? What then?

Why is the *old Italian method* of Book-Keeping adopted in the first three Sets of this treatise?

What are the main books of entry in the Italian method?

Define *debtor*. Define *creditor*.

In what have transactions or trades their foundations?

Repeat the *general rule* for journalizing transactions. Repeat it briefly.

Does this rule apply for determining the opening Journal entry of individual books?

Does it apply to the opening entry of partnership books?

What is each Set intended to represent?

Why should particular attention be paid to the opening and closing of each?

What is the continuance of each set for *one month* intended to represent?

How often are books closed in a majority of houses?

Describe the Day-Book in the Italian method of Book-Keeping.

For what is the Journal used? Why is this done?

Describe the Journal first given in this work. In making entries therein, how do you distinguish between debtors and creditors?

What may the Leger be styled? What is its principal use?

Of what is "By" the prefix? On which side of an account is it generally placed?

Of what is "To" the prefix? On which side of an account is it generally placed?

QUESTIONS FOR REVIEW (*continued*).

Define Bills Receivable. Define Bills Payable. When are notes said to be negotiable?

How is the Day-Book, Set I, to be written? From what and how is the Journal to be made out?

What name is given to an individual in business by himself? What are his books called?

Explain the opening of the Journal for Stock-Books.

What is the next thing to be done after journalizing? What is meant by posting?

What is meant by post-marking? How do you post-mark when there is both a debit and a credit on the same line in the Journal?

What test of the Leger is taken when the posting is completed?

What would you debit, and what credit in journalizing each of the following transactions, and for what reasons?

1st, Sale of Mdse. for cash.—2d, Sale of Mdse. for another person's note.—3d, Sale of Mdse. on account.—4th, Purchase of Mdse. for cash.—5th, Purchase of Mdse. for your own note.—6th, Purchase of Mdse. on account.—7th, Sale of Mdse. for cash and another person's note.—8th, Sale of Mdse. for cash and on account.—9th, Payment of expenses for the store in cash.—10th, Sale of Mdse. for another person's note and on account.—11th, Purchase of Mdse. for another person's note and on account.—12th, Purchase of Mdse. for cash and on account.—13th, Receipt of cash on account.—14th, Sale of Mdse. for another person's order on you, for cash and on account.—15th, Payment of cash for personal expenses.—16th, Sale of Mdse. for cash, for another person's note and on account.—17th, Payment of an account in cash.—18th, Payment of rent, clerk hire and gas bill in cash.

When and for what is the Trial Balance taken? Describe the process.

Is it usual in business to take it with the difference columns only? How often is it taken?

What is the Inventory-Book? How is the Inventory or Account of Stock taken?

What accounts do you open preparatory to closing the Leger?

What is the next step after opening these accounts?

What class of accounts have the balances of property unsold credited to them?

Define speculating property accounts?

In commencing to close the Leger, what account do you leave open?

What class of accounts are closed in Profit & Loss? What class into Balance?

In closing the Leger, is the first entry made in the account you are closing, or in the account into which you are closing it?

On which side of the account and in what colored ink?

Where is the opposite entry made, and in what colored ink?

In what cases is red ink used in the Leger? How indicated in this work?

When is the Second Trial Balance taken, and of what accounts does it consist?

Is the Second Trial Balance used in a real business?

Which is the first account closed after the taking of the Second Trial Balance?

After the Profit & Loss account has been closed into Stock, what does the difference between the two sides of the Stock account show, and how is it closed?

In what account, and on which side, do you ascertain your gains in business?

In what account, and on which side, do you ascertain your losses in business?

What are your available means at closing styled, and where are they found?

What is your indebtedness at closing styled, and where is it found?

Where do you find the amount of your effects invested at commencing?

Where do you find the amount of your indebtedness at commencing (if any)?

On which side of Stock account are your net gains shown? On which your net losses?

In a gaining business, commencing with net capital, by what two methods can you ascertain your present worth? By what two methods, your net gains?

What are your total gains in Set I? Total losses? Net gains?

What are your total resources or assets at closing Set I? Total liabilities?

What is your net capital or present worth?

SET II, DOUBLE ENTRY.

You can write up this Set in the blank books which accompany this treatise. You will perceive that no Journal or Leger is here given, because I wish you now to rely upon your own reasoning powers, aided by such elucidations as are necessary, for applying the principles already learned.

Copy the Day-Book ; then journalize it, referring to the elucidations of the different entries for any suggestions required. Having journalized, post from your Journal into the Leger, and take a Trial Balance, which, if correct, will agree in every respect with the one given on page 113. If it does not agree, there is an error, which must be sought and corrected, after the manner described on page 143. When the Trial Balance is right, proceed to close the Leger in the same manner as described for Set I, taking a second Trial Balance when you come to it, as a test of the closures thus far.

You can make out, from your Leger, statements of the net gains and net capital at closing, and compare them with the statements on pages 113 and 114, which will be a still further check upon the correctness of your work.

Set I was a gaining business, and closed with net capital ; but this is a losing business, and closes with net insolvency. By comparing carefully the two Sets, and the statements drawn from them, you will acquire clear and definite ideas of both prosperous and adverse business.

NOTE.—The *Key* is designed *solely* for the *teacher*, and the scholar should in *no case* be permitted to use it ; or if at all, merely to compare his books after the teacher has pronounced them correct. He should *hunt his own mistakes*, as this is most excellent practice for him.

DAY-BOOK, SET II.

Philadelphia, February 2d, 1852.

I commence business with the following Effects :		
Cash on hand	1,125.00	
Merchandise, amounting pr. Invoice to	6,250.00	
50 Shares Reading Rail-Road Stock @ \$25	1,250.00	
(The par value of this stock is \$50.)		
Sundry Notes which I hold against others	2,875.00	
Joseph B. Lownes owes me on $\frac{1}{2}\%$	200.00	
V. C. Burrell & Co. owe " " "	341.50	12,041 50
<hr/>		
I owe as follows :		
On Notes held by sundry persons against me	7,000.00	
To Charles T. Mayland on $\frac{1}{2}\%$	500.00	
" Burgess & Pinkerton " "	1,240.56	
" Levi Williams & Co. " "	960.44	
" Evans, Peters & Co. " "	1,150.50	10,851 50
<hr/>		
Making my Net Capital \$1,190.		
<hr/>		
2d		
Insured Mdse. in the American Fire Ins. Co. to the Am't of \$6,000, @ 1 $\frac{1}{2}\%$ Prem., for which I have paid Cash.		90 00
<hr/>		
"		
Sold to V. C. Burrell & Co., @ 6 mos.,		
5 Cases, 60 Prs. Stout Boots @ \$1.75	105.00	
2 " 24 " Kip " "	2.00	48.00
2 " 24 " Calf Pegged " "	2.50	60.00
1 " 12 " Sewed " "	3.50	42.00
<hr/>		255 00
<hr/>		
3d		
Sold to Walter Stockton & Co.		
3 Cases, 180 Prs. Boys' Brogans @ 75¢	135.00	
2 " 120 " Kip " "	80	96.00
2 " 120 " Goat Nullifiers " "	80	96.00
2 " 24 " Stitched Boots " \$6	144.00	471 00
<hr/>		
Received in Payment		
My Note, Philip Beldon's favor, now due,	320.00	
Cash for Balance	151.00	
<hr/>		

Philadelphia, February 4th, 1852.

Accepted Burgess & Pinkerton's Draft on me, @ 30 days' sight, favor Wm. G. Ashton, for	675 00
7th	
Bought of Charles T. Mayland, Mdse., amounting pr. Invoice, to	2,000 00
Paid in part by my Draft on Joseph B. Lownes @ sight 200.00	
Remainder Bo't @ 6 mos. credit 1,800.00	
9th	
Paid in Cash my Note, Myers, Claghorn & Co.'s favor, Am't	600 00
12th	
Exchanged Notes with Isaac McGrath, each drawn @ 30 days, for his accommodation	1,200 00
14th	
Bailey & Davis, whose Note I hold for \$750.36, have failed, and compounded with their Creditors for 70¢ on the dollar, $\frac{1}{2}$ to be paid in Cash and $\frac{1}{2}$ in Goods.	
Received in Cash 262.62	
Mdse., as pr. Invoice, amounting to 262.63	
Lost the Balance 225.11	750 36
16th	
Sold to Allen Thompson 50 Prs. Children's Calf Brogans @ 37¢	18 75
19th	
Bought of Manly & Co. Mdse., as pr. Invoice, Am't	1,200 00
Paid in part by Note of L. Bellamy, my favor 425.00	
Gave my Note @ 30 days, for 400.00	
Paid the Balance in Cash 375.00	

Philadelphia, February 20th, 1852.

Sold to Thomas Stotesbury & Co.

5 Cases, 300 Prs. Men's Brogans @ \$1.10 330.00

5 " 300 " Kip " " 1.00 300.00

4 " 240 " Women's Boots " 60 144.00

2 " 120 " " " " 90 108.00

882 00

Rec'd their Note @ 4 mos. for 441.00

Cash for Balance 441.00

21st

Discounted my Acceptance of the 4th inst. @ 30 days,
favor of Wm. G. Ashton, Am't

675 00

Paid in Cash 673.20

Discount on \$675, for 16 days, is 1.80

28th

On the Night of the 22d inst., my Stock of Goods
(with the Store) was almost entirely consumed by
Fire.The small portion recovered was yesterday sold at
Auction for Cash, netting, after payment of Auc-
tioneer, Drayman, &c.

320 50

"

Rec'd in Cash of the American Fire Ins. Co. the Am't
for which I was Insured on my Stock of Goods.

6,000 00

ELUCIDATIONS FOR JOURNALIZING DAY BOOK, SET II.

February 2d

This Entry of your effects invested must be commenced in your Journal, "Sundries, Dr. To Stock," the same as the opening entry to Set I; and then the different species of property must be debited for the value which you intrust to each, and the different persons for the amount each owes you. Stock (yourself) is Cr. for the whole amount of your investment.

In entering in your Journal this record of your debts at starting, commence it thus: "Stock Dr. To Sundries," extending into the debit column the whole amount of your indebtedness, to show that Stock (yourself) is Dr. for this amount, at commencing business. Then credit Bills Payable for the Am't of notes outstanding against you, and credit the different persons for the sums due each. See remarks on opening the Journal, page 90.

2d

Mdse. is Dr. for the cost of insuring the goods.

Cash is Cr. for producing the means (value) to pay the Insurance.

~~Do~~ Commit to memory the general rule for journalizing, page 86, and apply it constantly.

"

V. C. Burrell & Co. have cost you value in the goods which you have furnished them, without immediate remuneration—and must be debited. Mdse. has produced value in the indebtedness of V. C. Burrell & Co.—and must be credited.

3d

Bills Payable and Cash have cost value in Mdse. Mdse. has produced value in your note and the money received. This is one of the notes which were outstanding against you at the commencement of business. It is supposed to have passed from the hands of Philip Beldon to Walter Stockton & Co., and now, coming due, is offered by them in payment for the Mdse.

4th

For definition of *Draft* and *Acceptance*, see the Vocabulary, page 9. Your accepting a draft makes it a Bill Payable, and it is the same to you as taking up the draft by giving your promissory note for it: while it is better to the party holding it, as it binds the *drawer* to payment in case you should fail. Whenever you pay a draft on yourself, either by acceptance or in any other way, the drawer must be debited, because value goes out of your possession, at his request and for his benefit.

In this case, Burgess & Pinkerton cost value in Bills Payable.

7th

Mdse. Costs value, and is Dr.—J. B. Lownes produces value by permitting you to draw upon him in payment for a portion of the goods bought; and C. T. Mayland produces value by furnishing part of them without immediate payment.

Whenever you draw a draft on another person, that person must be credited, as he produces you value by paying the draft.

ELUCIDATIONS (*continued*).

February 9th

Another note, issued by you prior to the commencement of this business, falls due and is paid.

Bills Payable costs value in Cash.

12th

Bills Receivable costs value in my note issued.

Bills Payable produces value in McGrath's note obtained.

14th

Bills Receivable has produced value only to the amount of the Cash and Mdse. received; but it must be credited the *full amount of the note*, \$750.36, in order that the difference of the Bills Receivable account on the Leger may at all times agree with the amount of notes on hand unpaid. Cash is Dr. for what it has cost, \$262.62—Mdse. is Dr. for what it has cost, \$262.63—and *Profit & Loss*, which is the receptacle of all your gains and losses, must be debited for the balance, \$225.11, in order to transfer the loss to that account. This debit to Profit & Loss, and credit to Bills Receivable of \$225.11, is *not* explained on the principle of debiting what costs value, and crediting what produces value, but it is *merely a transfer* entry, to carry the loss into its proper account, instead of permitting it to remain in Bills Receivable.

16th

Mdse. has produced value in the indebtedness of Allen Thompson.

19th

Lyman Bellamy's note is one of those you held against others at commencing business.

Mdse. has cost value—Sundries have produced value.

N. B.—It is proper in recording purchases in the Day-Book to say "as pr. Invoice," and omit the items, since your invoice is preserved on file. But in entering sales, the articles should always be specified in detail.

20th

Sundries have cost value in Mdse., and Mdse. has produced value.

A draft which has been accepted by you is styled your "*Acceptance*"—another name for it instead of note. *Discounting* a note means paying it before due, for the sake of the discount.

Bills Payable (your acceptance) has here cost value.

Sundries, viz. Cash and Discount, have produced value.

28th

Cash costs value in Mdse.

Mdse. produces value in Cash.

Insurance offices do not generally pay as promptly as here shown: they have usually a proviso in their agreements, allowing from 30 to 60 days' time for payment of losses incurred.

TRIAL BALANCE, LEGER, SET II.

		Dr.	Cr.
L. F.			
1	Stock - - - - -		1,190 00
1	Cash - - - - -	6,561 92	
1	Merchandise - - - - -	1,855 38	
1	Reading Rail-Road Stock - - -	1,250 00	
1	Bills Receivable - - - - -	3,340 64	
2	V. C. Burrell & Co. - - - - -	596 50	
2	Bills Payable - - - - -		7,680 00
2	Charles T. Mayland - - - - -		2,300 00
2	Burgess & Pinkerton - - - - -		565 56
2	Levi Williams & Co. - - - - -		960 44
3	Evans, Peters & Co. - - - - -		1,150 50
3	Profit & Loss - - - - -	225 11	
3	Allen Thompson - - - - -	18 75	
3	Discount - - - - -		1 80
		13,848 30	13,848 30

INVENTORY-BOOK, SET II.

There remains on hand unsold, Feb. 28th, 1852 : 50 Shares Reading Rail-Road Stock, which is now selling @ \$22 pr. Share - - -	1,100 00
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SECOND TRIAL BALANCE, LEGER, SET II.

		Dr.	Cr.
L. F.			
1	Stock - - - - -		1,190 00
3	Profit & Loss - - - - -	2,228 69	
3	Balance - - - - -		1,038 69
		2,228 69	2,228 69

STATEMENTS, SET II.

STATEMENT 1st, SHOWING NET LOSSES.

Losses.		Gains.	
Bills Rec., 30 % of B. & D.'s note	225 11	Discount on note paid before due	1 80
Mdse., lost by fire more than gains	1,855 38		
Reading R.-R. Stock, depreciation	150 00		
Total losses	2,230 49		
Deduct gains	1 80		
My net losses are	2,228 69		

STATEMENTS, SET II. (*continued.*)

STATEMENT 2D, SHOWING NET INSOLVENCY AT CLOSING.

<i>Resources, or Assets.</i>		<i>Liabilities.</i>	
Reading R.-R. Stock, Am't unsold	1,100 00	Bills Pay., held by others	7,680 00
Cash on hand	6,561 92	C. T. Mayland, Bal. I owe	2,300 00
Bills Rec., held by me	8,340 64	Burgess & Pinkerton, " " "	565 56
V. C. Burrell & Co., Bal. due me	596 50	L. Williams & Co. " " "	960 44
A. Thompson " " "	18 75	Evans, Peters & Co. " " "	1,160 50
Total assets	11,617 81	Total liabilities	12,656 50
		Deduct assets	11,617 81
		My net insolvency is	1,038 69

STATEMENT 3D, PROVING STATEMENTS 1ST AND 2D.

My debts at starting were	10,851 50	My net capital at starting was	1,190 00
Add net losses (Statement 1st)	2,228 69	Add net insolvency (Statement 2d)	1,038 69
		Gives net losses (Statement 1st)	2,228 69
Deduct effects invested at starting	13,080 19		
	12,041 50		
Gives my net insol'cy (Statement 2d)	1,038 69		

Therefore :

In a business commencing with net capital and closing with net insolvency,

To find your Net Insolvency :

- 1st, Deduct the net capital at starting from the net losses in business.
- 2d, Deduct the total assets from the total liabilities.

To find your Net Losses in Business :

- 1st, Deduct the total gains from the total losses.
- 2d, Add the present net insolvency to the net capital at starting.

QUESTIONS FOR REVIEW, SET II.

With what must the Trial Balance of your Leger agree, to show that you have journalized and posted this Set correctly?

Wherein does the business represented in this Set, differ from that in Set I?

What should be debited and what credited in the following transactions, and why?

1st, Cash paid for insuring Mdse.—2d, Mdse. sold on account.—3d, Mdse. sold for your note outstanding and for cash.—4th, Accepting another person's draft on you.—5th, Buying Mdse. with your draft on another person, and on account.—6th, Taking up your note by paying cash for it.—7th, Exchanging notes with another person.—8th, Failure of a party whose note you hold, pay't of part in cash, part in Mdse., and balance lost.—9th, Sale of Mdse. on account.—10th, Purchase of Mdse. for another person's note held by you, your own note, and cash.—11th, Sale of Mdse. for another person's note and for cash.—12th, Discounting your own note.—13th, Sale of Mdse. for cash.—14th, Receipt of cash from an Insurance Co. for Mdse. destroyed by fire.

What are the total losses in Set II? The total gains? The net losses?

What are the total assets? Total liabilities? Net insolvency?

What is the amount of your debts at starting, added to your net losses?

What remains after deducting from this amount your effects invested?

How much was your net capital at starting?

What is found by adding to this your net insolvency?

By what two methods can you ascertain your net insolvency in this Set?

By what two methods can you ascertain your net losses in this Set?

SET III, DOUBLE ENTRY.

IN this Set you are supposed to have made a satisfactory arrangement with your creditors, so as to resume and continue your business, which was summarily ended in the last Set, by your stock of goods being consumed by fire.

DAY-BOOK, SET III.

Philadelphia, March 1st, 1852.

I have the following Effects on resuming business :		
Cash on hand	6,561.92	
Sundry Notes of other persons, my favor	3,340.64	
50 Shares Reading Rail-Road Stock, @ \$22	1,100.00	
V. C. Burrell & Co. owe me on $\frac{1}{2}\%$	596.50	
Allen Thompson owes " " "	18.75	11,617 81
<hr/>		
I owe on sundry Notes outstanding	7,680.00	
To Charles T. Mayland on $\frac{1}{2}\%$	2,300.00	
" Burgess & Pinkerton " "	565.56	
" Levi Williams & Co. " "	960.44	
" Evans, Peters & Co. " "	1,150.50	12,656 50
<hr/>		
1st		
Bought a new set of Account Books, of Murphy & Co., for Cash		20 00
<hr/>		
2d		
Bought of Charles T. Mayland Mdse., as pr. Invoice, Am't		3,000 00
Paid him in part by Note of Root, Warden & Co., my favor	1,699.64	
Cash for the Balance	1,300.36	
<hr/>		
"		
Bought of Burgess & Pinkerton, on $\frac{1}{2}\%$, @ 3 mos. Mdse. as pr. Invoice, Am't		2,516 00
<hr/>		
3d		
Sold to Allen Thompson 6 Cases, 360 Prs. Women's Calf Lace-Boots, @ \$1		360 00
<hr/>		
5th		
Paid Levi Williams & Co., Cash, in full of $\frac{1}{2}\%$		960 44
<hr/>		

DAY-BOOK, SET III.

2

Philadelphia, March 8th, 1852.

Sold to Bent, Foster & Lewis,			
10 Cases, 120 Prs. Men's Boots, @ \$2.00	240.00		
2 " 120 " Lasting Gaiters, " 1.75	210.00		
6 " 360 " Youth's Brogans " .62 ^a	225.00		
8 " 480 " Kip " " .50	240.00		
3 " 180 " Children's " " .37 ^a	67.50	982	50
Rec'd their Notes, one @ 30 days for			327.50
" " 60 " "			327.50
" " 90 " "			327.50
			982.50
10th			
Sold to Blackman & Packard, for Cash,			
2 Cases, 120 Prs. Goat Nullifiers, @ 80¢	96.00		
2 " 120 " Women's Buskins, " 60	72.00		
2 " 120 " Lasting ½ Gaiters, " 90	108.00		
2 " 120 " " " " 85	102.00		
2 " 120 " Kid Slippers R. R. " 70	84.00		
1 " 60 " Misses Lace Boots, " 75	45.00		
1 " 60 " " Paris Ties, " 62 ^a	37.50	544	50
14th			
Sold to Wilson, Fenner & Welsh,			
6 Cases, 360 Prs. Women's C'f Boots, @ \$1.25	450.00		
3 " 180 " Goat Buskins, " 1.15	207.00		
4 " 240 " Lasting Gaiter-B'ts, " 1.25	300.00		
4 " 240 " Kid Slippers R. R. " .90	216.00	1,173	00
Rec'd in payment my Note of 19th ult., @ 30			
days, favor of Manly & Co.,			400.00
Cash for Bal., including Dis.			773.60
			1,173.60
The Discount on my Note, \$400, for 9 days, is			60
16th			
My Note, favor Isaac McGrath, dated 12th ult., @ 30			
days, coming due this day, has been taken up by			
him, and returned to me, for which I have given			
him his Note, my favor, of same tenor and date			1,200
			00

Philadelphia, March 22d, 1852.

Bought of Myers, Claghorn & Co., at auction, for Cash, Mdse., amounting, pr. Invoice, to	1,522 36
24th	
Reading Rail-Road Stock having suddenly risen, I have had my 50 Shares sold by a Stock- Broker, @ \$30 pr. share 1,500.00	1,492 50
Rec'd the Cash, less his com., @ $\frac{1}{2}$ % on \$1,500.00, for selling 7.50	
27th	
Thomas Stotesbury & Co. have discounted their Note of the 20th ult., @ 4 mos., my favor, for	441 00
Rec'd in Cash 434.53	
Discount on \$441, for 88 days, is 6.47	
30th	
Sold to Wm. F. Godwin, for his Note @ 3 mos., 10 Cases, 120 Pns. Men's Boots, @ \$5.25 630.00 5 " 60 " " " " 3.50 210.00	840 00
N. B. No Ins. has been effected in this Set, because it was not deemed advisable to occupy space with the entry. Many other entries, which, in a real business, would occur, such as paying Rent of Store, &c., have been omitted, in this and the other Sets, for a like reason.	

ELUCIDATIONS FOR JOURNALIZING DAY-BOOK, SET III.

March 1st

The opening entries are so nearly like those of Set II, that I think you will need no additional explanation of them.

The old books having been badly damaged by fire, you have closed them up, and purchased a new set for use in the Counting-house.

Store Expenses have cost value. Cash has produced value.

2d

Mdse. costs value in Sundries.

Sundries—viz., Bills Receivable and Cash—produce value by paying for the goods.

Mdse. costs you value.

Burgess & Pinkerton produce you value by furnishing the goods without payment.

3d

A. Thompson has received value of you to the amount of goods you furnish him—in other words, has cost you value—and is Dr.

Mdse. has produced value in his indebtedness.

5th

Levi Williams & Co. have received value from you in Cash.

Cash has produced value by paying their account.

8th

Bills Receivable costs value in Mdse. Mdse. produces value.

10th

Cash costs value in Mdse.

14th

Bills Payable and Cash have cost value, and Mdse. and Discount have produced value.

As this is the first case in which sundry debtors and sundry creditors occur in the same entry, I will journalize it, to show you the form.

	Sundries	Dr.	To Sundries.			
2	Bills Payable	- - - - -		400	00	
1	Cash	- - - - -		773	60	
3	To Merchandise	- - - - -				1.173
3	" Discount	- - - - -				60

In posting this transaction, the entries in the Leger should be "To Sundries;" and "By Sundries;" and neither a post nor post-mark is required to the word "Sundries."

16th

On the 12th ult. you exchanged notes with Isaac McGrath for his accommodation, because he could use your note, with his endorsement on it, better than he could his own note. He made use of your note, and when it came due to-day, paid it, and now returns it to you and receives his note, which he had given you as security.

Bills Payable has cost you value. Bills Receivable has produced you value.

ELUCIDATIONS (*continued*).

22d

Mdse. has cost value in Cash.

24th

Cash has cost value in Reading R.-R. Stock. Reading R.-R. Stock has produced value.

NOTE.—Stock-Brokers in Philadelphia and some other cities charge commission on the nominal par value of the Stock sold, which, in the Reading R.-R. Stock, is \$50 pr. Share, making in this transaction, \$2,500 on which to reckon commission; but as this is a local arrangement, I have preferred to estimate commission only on the real price of sale.

27th

Cash and Discount have cost value.

Bills Receivable has produced value.

30th

Bills Receivable has cost value in Mdse.

TRIAL BALANCE, LEGER, SET III.

		Dr.		Cr.	
L. F.					
1	Stock - - - - -	1,038	69		
1	Cash - - - - -	6,003	89		
1	Bills Receivable - - - - -	1,822	50		
1	Reading Rail-Road Stock - - - - -			392	50
1	V. C. Burrell & Co. - - - - -	596	50		
2	Allen Thompson - - - - -	378	75		
2	Bills Payable - - - - -			6,080	00
2	Charles T. Mayland - - - - -			2,300	00
2	Burgess & Pinkerton - - - - -			3,081	56
2	Evans, Peters & Co. - - - - -			1,150	50
3	Store Expenses - - - - -	20	00		
3	Merchandise - - - - -	3,138	36		
3	Discount - - - - -	5	87		
		13,004	56	13,004	56

INVENTORY-BOOK, SET III.

There remains on hand, unsold, Mar. 31st, 1852, Merchandise amounting to*	3,918 51
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* In a real Inventory-Book, of course all the details of the Mdse. or other property unsold would be specified, as this is the very object of the book.

STATEMENTS, SET III.

The total gains accruing from this business are	-	-	-	\$1,172.65
" " losses " " " " "	-	-	-	25.87
Making the net gains	-	-	-	\$1,146.78

The total assets at closing the books are	-	-	\$12,720.15
" " liabilities " " " " "	-	-	12,612.06
Making the net capital	-	-	\$108.09

I commenced business with a net insolvency of	-	-	\$1,038.69
I have gained sufficiently to cover this indebtedness, and to have a net capital now of	-	-	108.09
Making the net gains, as above	-	-	\$1,146.78

My net gains in business have been	-	-	\$1,146.78
" " insolvency at starting was	-	-	1,038.69
Making the net capital, as above	-	-	\$108.09

Therefore :

In a business like the present, which commences with a net insolvency and closes with a net capital, or present worth,

To find your present worth :

- 1st. Deduct the total liabilities from the total assets.
- 2d. Deduct the net insolvency at starting, from the net gains in business.

To find your net gains in business :

- 1st. Deduct the total losses from the total gains.
- 2d. Add the present worth to the net insolvency at starting.

QUESTIONS FOR REVIEW, SET III.

How can you retain cash, notes and other effects in your possession, and commence a new business therewith, as in this Set, when you are really insolvent at the outset? [See page 115.]

What would you debit, and what credit in each of the following transactions—and why?

- 1st. Purchase of a new set of account books for cash.—2d, Purchase of Mdse. for note of another person, my favor, and for cash.—3d, Purchase of Mdse. on account.—4th, Sale of Mdse. on time.—5th, Payment of cash in full of an account which you owe.—6th, Sale of Mdse. for three notes of another person.—7th, Sale of Mdse. for cash.—8th, Sale of Mdse. for your own note and cash, your note not being yet due, and you being allowed a discount thereon.—9th, Receipt of your note previously exchanged with another, and relinquishment

QUESTIONS (*continued*).

of the other person's note held by you.—10th, Purchase of Mdse. for cash.—11th, Sale of Reading Rail-Road Stock for Cash.—12th, Discount by another person of his note held by you.—11th, Sale of Mdse. for another person's note.
What are the total gains accruing from the business in Set III?
What are the total losses? What the net gains?
What are the total assets? The total liabilities? The net capital?
What was the net insolvency at commencing?
What is the amount of the present net capital added to the net insolvency at starting? and what is this amount called?
What balance remains after deducting the net insolvency at starting from the net gains in business? and what is this balance called?
In a business which commences with a net insolvency and closes with a present worth, what two methods are there for ascertaining the present worth?
What two methods for ascertaining the net gains?

GENERAL REMARKS.

You have now been presented with three Sets of books by Double Entry:—the first, representing you as commencing business with a snug capital, and without any debts; pursuing it prosperously, and thus increasing your capital:—the second, as commencing with greater means in possession, but owing debts to nearly the same amount; being attended with misfortune, in the destruction of your goods by fire, without a full insurance, and probably too for want of experience in the business in which you engaged, neither buying nor selling to the best advantage; thus sustaining a large loss, which swallows up your net capital, and leaves you with about an equal insolvency:—the third, as resuming and continuing your business so summarily ended in Set II, retaining in your hands all the means left you until such time as you are able to pay your creditors, who are supposed to appreciate your business talents, to confide in your integrity, and to agree to extend the time of payment; as having learned by experience to be more cautious and skillful, and thus making sufficiently large gains to cover your insolvency, and have a small net capital again.

I now propose furnishing you with some examples of partnership business, both where the partners share alike in gains and losses, (as in Set IV,) and where their shares and interests are unequal, (as in Set V,) to which I desire you to give the most careful attention, as I hope you have done to the preceding Sets, illustrating individual business.

I shall also now present you with another style of keeping accounts, *shorter* than the *old Italian method*, and much used at the present time by houses engaged in general trading operations, shipping business, and some other mercantile pursuits. It will at first require some more thought on your part than the preceding Sets have done, but those you are now supposed to have mastered, and thus to be prepared for a higher step on the road to a thorough knowledge of accounts; and no task should be thought too hard, which care and patience will overcome, and which will lead to knowledge.

SET IV, DOUBLE ENTRY.

THIS Set represents a partnership business, in which the partners invest equal amounts of net capital, and share equally in gains and losses. It is a prosperous business. In Sets IV and V, the number of books, the form and use of some of them, and the manner of closing the Legers, differ from what has been exhibited in Sets I, II, and III, as is explained on the following page.

I have omitted, as in the preceding Sets, the Cash-Book, Check-Book, and all other books used *merely as auxiliaries*, because your mind will thus be less burdened, and you will the better understand the primary and more important books of entry. The various auxiliary books are shown in connection with Set VI.

I have also omitted the Index to the Leger; but this you can make out for yourself, as you post.

EXPLANATORY REMARKS, SETS IV. AND V.

THE Sets of books thus far shown in this work have all been conducted upon the *old Italian method*. I now propose to show you a plan which is far more in use at the present time, and by which much useless writing will be saved. It is to entirely dispense with the *Day-Book in History form*, and use instead a *Day-Book in Journal form*, in which the entries are recorded in such a manner as not only to present a complete history of the business transactions, but also to furnish debits and credits under the proper Leger titles, ready for posting; thus rendering it useless to keep a Journal, and doing away with the labor of journalizing. The *general rule for journalizing* becomes now a *general rule* for determining the proper debits and credits in making original entries.

I have given a separate history of the business, as it is supposed to have occurred, with elucidations of such transactions as seemed to require elucidating. This *history* you should be careful to distinguish from the historical Day-Books, which you have already passed over, as it is not used in actual business, and is not intended to take the place of any book which is used; but is given solely for the purpose of exhibiting to your mind the transactions as they would occur before you in actual commercial operations. In the method pursued in these two sets, the postings are made direct from the Day-Book, which is the book of original entry.

Directions for Writing up, Set IV.

After examining the *form* of the Day-Book sufficiently to acquaint yourself with its peculiarities, lay it aside, and turn to the *history* given of the business. Apply carefully the directions previously received for opening books, and the *general rule for determining what to debit and what to credit*, in each case; having decided which, write down the entry in regular Journal form, mingling therewith sufficient explanations to convey to the mind of a stranger a clear idea of the business transaction. Considerable skill will be found requisite, to so intermingle the historical portion of the entry, as to give the clearest idea in the fewest words, which is very desirable in Book-keeping.

Make out your Day-Book on a loose sheet of paper, and depend upon your own skill in so doing, looking at the Day-Book given as little as possible, until you have completed your own. You can then compare and make any necessary corrections. The next step is to post. Then close up your Leger, make out exhibits, &c., as heretofore shown. In posting, let the partners' accounts be the first accounts opened on the Leger.

In closing the Leger, you will observe no Balance account is opened; but instead thereof, the balances (of such accounts as would be closed into it) are "*brought down to new account*," in the same manner as in Single Entry. [See explanation on page 21.] The gains or losses in any account go into Profit & Loss, as heretofore; and Profit & Loss is closed into the accounts of the two partners, half of the net gains to each. When the Leger is *entirely closed*, take your Second Trial Balance—not to be preserved, but as a mere proof of accuracy. It will consist of all the balances brought down to new account, and, if the Leger be correctly closed, the debit balances will be equal in amount to the credit balances, including the partners' net capital.

Cincinnati, Ohio, April 1st, 1852.

William Penn and Robert Morris have entered into partnership this day, for three years, to conduct a general Produce and Grocery business; —the parties to invest an equal amount of net capital, and to share alike in gains and losses.

William Penn's Effects invested are as follows :

Cash on hand	-	-	-	-	-	2,542.50
Merchandise, as pr. Invoice, amounting to						<u>6,420.00</u> \$8,962.50

He owes on sundry Notes, which the Firm assume - - \$2,165.00
 Making his Net Capital \$6,797.50.

Robert Morris' Effects invested are

Cash on hand	-	-	-	-	-	1,837.00
Merchandise, pr. Invoice, amounting to						2,750.00
Sundry Notes he holds against others	-	-	-	-	-	<u>5,000.00</u> \$9,587.00

He owes Debts, which the Firm assume, to wit :

To Abel Sanderson & Co.	-	-	-	-	-	800.00
„ Solomon & Brown	-	-	-	-	-	1,200.00
„ George F. Wilson	-	-	-	-	-	<u>789.50</u> \$2,789.50

Making his Net Capital \$6,797.50.

In the above transactions between the parties at commencing business, observe that:—

1st. Mdse. and Cash have cost the firm value in their obligation to Wm. Penn. Wm. Penn has produced the firm value in the Mdse. and Cash invested.

2d. Wm. Penn is Dr. because he costs the firm all that they assume to pay for him. Bills Payable is Cr. because it produces the firm value in the indebtedness of Wm. Penn.

3d. Sundries cost the firm value in their obligation to Robert Morris. Robert Morris produces the firm value in his effects invested.

4th. Robert Morris costs the firm value by their assumption of his debts. Abel Sanderson & Co., Solomon & Brown, and George F. Wilson, each produces the firm value, in the indebtedness of Robert Morris.

The general rule for determining what to debit, and what to credit, (page 86,) is therefore applicable to the opening entry in partnership books.

3d

Sold to Thomas & Sargeant, 200 Bbls. Lard, 40,000 lbs. @ 6¹/₂; 100 Bbls. Mess Pork, @ \$9¹/₂.

Rec'd in payment 14 Hhds. Sugar, 15,400 lbs. @ 6¹/₂; Their Note, @ 30 days, for \$2,000; Cash for Balance, \$526.

Mdse., Bills Receivable, and Cash cost value—and Mdse. produces value.

5th

Sold to Johnson, Forrester & Co., 80,000 lbs. Bacon sides, @ 4¹/₂¢.

Rec'd in part payment, Wm. Penn's Note, their favor, assumed by the Firm at commencing business, due 25th inst., for \$1,050: and Cash for Bal. of Sale, and for Discount on Note, \$2,553.50.

Discount on Wm. Penn's Note for 20 days is \$3.50.

When the firm assumed the payment of several notes outstanding against Wm. Penn at commencing business, Bills Payable received a credit, as cancelling the indebtedness of the firm for the time. One of those Notes has now been taken up, and has cost the firm its face, \$1,050; Bills Payable must therefore be debited. Cash has also cost the firm value. Mdse. and Discount have produced value.

Cincinnati, April 6th, 1852.

Paid Abel Sanderson & Co. in full of their $\frac{1}{2}\%$ due May 10th, Am't \$800.

The Discount on \$800, for 34 days, is \$4.53.

Am't paid in Cash, \$795.47.

Abel Sanderson & Co. have received value from the firm to the amount of \$800. Discount and Cash have produced value by paying the account.

7th

Sold Solomon & Brown on $\frac{1}{2}\%$, 14 Hhds. Sugar, 15,400 lbs., @ 6 $\frac{1}{2}$ ¢.

10th

Accepted Geo. F. Wilson's Draft on us, @ 10 days' sight, J. Oakford's favor, for \$560.

G. F. Wilson has cost the firm value in Bills Payable.

12th

Bought of Seldon & Reeves, 450 Bbls. Superfine Flour, @ \$3.50.

Paid in part by our Note, @ 60 days, \$787.50; Balance in Cash.

13th

Rec'd pr. Steamboat Sultana, Manning, master, from E. M. Lafourcade & Co., N. O., Mdse. previously ordered by us, to wit:

40 Hhds. N. O. Molasses, 4,000 gals., @ 25 ¢.

20 " " Sugar, 20,500 lbs. " 4 $\frac{1}{2}$ ¢.

Paid, in Cash, Freight &c. on above Mdse. \$96.

Mdse. has cost the firm \$2,018.50. E. M. Lafourcade & Co. and Cash have produced the firm value, the former by furnishing the goods without pay, and the latter by paying freight.

14th

Purchased, for Cash, @ $\frac{1}{2}\%$ Prem., of Clark & Co. of this city, their Bill of Exchange on Lafitte & Cornelle, N. O., and remitted the same this day to E. M. Lafourcade & Co., in payment of Am't due them, \$1,922.50.

Premium on \$1,922.50 @ $\frac{1}{2}\%$, \$2.40.

E. M. Lafourcade & Co. and Premium have cost the firm value in the money paid.

16th

Paid Drayman and Laborers in Cash, \$25.

17th

Sold to Stephens, Burgess & Co., 20 Hhds. N. O. Molasses, 2,000 Gals. @ 29 ¢.

Rec'd Cash in part, \$290; their note, at 60 days, for Bal. including Dis. \$293.08.

Discount on Note, \$293.08, for 63 days, to make it equal to Cash, \$3.08.

Cash and Bills Receivable have cost the firm value.

Mdse. and Discount have produced the firm value.

20th

Discounted our Note of 12th inst., @ 60 days, favor Seldon & Reeves, Am't, \$787.50.

Paid in Cash, \$780.28.

Discount for 55 days on \$787.50 is \$7.22.

Bills Payable has cost value in Cash and Discount.

Cincinnati, April 23d, 1852.

Paid in Cash, our Acceptance of 10th inst., J. Oakford's favor, \$560.

26th

Bought of Sharp & Thompson, 100 Bbls. Extra Mess Pork, @ \$9.

Paid in part by 10 Hhds. N. O. Sugar, 10,250 lbs. @ 5¹/₂¢.

Cash for the Balance.

Mdse. has cost value in Mdse. and Cash.

In such cases as this, Mdse. *might* be considered as costing only the amount paid for it in Cash—the entry would then be "Mdse. To Cash, \$336.25;" but the *better* way is to debit Mdse. the full amount, \$900, and credit Mdse. and Cash; thus letting the Mdse. account show the entire dealings in Mdse.

30th

Paid Cash for sundry Repairs of Store, \$30.

"

Sold J. Meadley, for Cash, 400 Bbls. Super. Flour, @ \$4.

"

Paid in Cash, Clerk Hire, one mo., \$60; and Rent of Store, one mo., \$80.

Cincinnati, Ohio, April 1st, 1852.

		Dr.		Cr.
L. F.				
Wm. Penn and Robert Morris have this day entered into Partnership, as pr. Articles of Agreement.				
1	Sundries To William Penn, For Effects invested			8,962 50
1	Cash, On hand	2,542 50		
2	Merchandise, Am't as pr. Invoice	6,420 00		
1	William Penn To Bills Payable,	2,165 00		
2	Sundry Notes assumed by the Firm			2,165 00
1st				
1	Sundries To Robert Morris, For Effects invested			9,587 00
1	Cash, On hand	1,837 00		
2	Merchandise, Am't per Invoice	2,750 00		
2	Bills Receivable, Sundry Notes	5,000 00		
1	Robert Morris To Sundries, Debts assumed by the Firm	2,789 50		
2	To Abel Sanderson & Co. Bal. due them			800 00
3	„ Solomon & Brown „ „ „			1,200 00
3	„ George F. Wilson „ „ him			789 50
3d				
2	Sundries To Merchandise, Sold Thomas & Sargeant			
	200 Bbls. Lard, 40,000 lbs. @ 6 ¹ / ₂	2,500 00		
	100 „ Mess Pork „ 9 ² / ₂	950 00		
				3,450 00
2	Merchandise, Rec'd in Pay't, 14 Hhds. Sugar, 15,400 lbs. @ 6 ¹ / ₂	924 00		
2	Bills Receivable, Their Note, @ 30 days,	2,000 00		
1	Cash, For Balance	526 00		
5th				
Sundries To Sundries, Sale to Johnson, Forrester & Co.				
2	Bills Payable, William Penn's Note, their favor, assumed by Firm, due 25th inst.	1,050 00		
1	Cash, For Bal. Mdse. and Dis.	2,553 50		
2	To Merchandise, 80,000 lbs. Bacon Sides @ 4 ¹ / ₂			3,600 00
3	„ Discount, On Note, for 20 days,			3 50
		30,557 50		30,557 50

DAY-BOOK, SET IV.

2

Cincinnati, Ohio, April 6th, 1852.

		Dr.	Cr.
L. F.			
2	Abel Sanderson & Co. To Sundries,	800 00	
1	To Cash, In full of their %, due		795 47
	May 10th, Am't \$800		
3	„ Discount, On \$800, for 34 days		4 53
	7th		
3	Solomon & Brown To Merchandise,	1,001 00	
2	14 Hhds. Sugar, 15,400 lbs. @ 62¢		1,001 00
	10th		
3	George F. Wilson To Bills Payable,	560 00	
2	Accepted his Draft on us, @ 10 days' sight,		560 00
	J. Oakford's favor,		
	12th		
2	Merchandise To Sundries,		
	Bo't of Seldon & Reeves 450 Bbls. Super-	1,575 00	
	fine Flour, @ \$3.50		
2	To Bills Payable, Our Note, @ 60 days		787 50
1	„ Cash, Bal. in full		787 50
	13th		
2	Merchandise To Sundries,	2,018 50	
3	To E. M. Lafourcade & Co.,		
	Rec'd from New Orleans, pr. Steamboat Sul-		
	tana, Manning master,		
	40 Hhds. Mols., 4,000 Gals. @ 25¢ 1,000.00		
	20 „ Sugar, 20,500 lbs. „ 42¢ 922.50		
1	„ Cash, Paid Freight, &c.		1,922 50
	14th		96 00
1	Sundries To Cash,		1,924 90
3	E. M. Lafourcade & Co.,		
	Remitted to them Clark & Co.'s Bill of Ex-		
	change on Lafitte & Cornelle, N. O., pur-	1,922 50	
	chased this day,		
3	Premium, On \$1,922.50, @ 1%,	2 40	
	16th		
4	Store Expenses To Cash,	25 00	
1	Paid Draymen and Laborers		25 00
		7,904 40	7,904 40

DAY-BOOK, SET IV.

Cincinnati, Ohio, April 17th, 1852.

		Dr.		Cr.
L. F.				
	Sundries	To Sundries,		
	Sale to Stephens, Burgess & Co.			
1	Cash,	Rec'd in part	290 00	
2	Bills Receivable,	Their Note, @ 60 days, for	293 08	
2	To Merchandise,	Bal. including Discount		
3	20 Hhds. N. O. Mols., 2,000 Gals. @ 29¢			580 00
	" Discount,	On \$293.08 for 63 days		3 08
	20th			
2	Bills Payable	To Sundries,		
	Discounted our Note of 12th inst., @ 60		787 50	
1	To Cash,	Net Am't paid		780 28
3	" Discount,	On \$787.50 for 55 days		7 22
	23d			
2	Bills Payable	To Cash,	560 00	
1	Paid our Acceptance of 10th inst., J. Oak-			560 00
	ford's favor,			
	26th			
2	Merchandise	To Sundries,		
	Bo't of Sharp & Thompson,			
	100 Bbls. Extra Mess Pork, @ \$9,		900 00	
2	To Merchandise,	Paid in part by		
	10 Hhds. N. O. Sugar, 10,250 lbs. @ 5¢			563 75
1	" Cash,	For Balance		336 25
	30th			
4	Store Expenses	To Cash,	30 00	
1	Sundry Repairs of Store			30 00
	"			
1	Cash	To Merchandise,	1,600 00	
2	Sold J. Meadley, 400 Bbls. Super. Flour @ \$4.			1,600 00
	"			
4	Store Expenses	To Cash,	140 00	
1	Clerk hire one mo.	60.00		
	Rent of Store one mo.	80.00		140 00
			4,600 58	4,600 58

LEGER, SET IV.

1

Dr.				William Penn.				Cr.			
1852.	1	To Bills Pay.	1	2,165	00	1852.	1	By Sundries	1	8,962	50
Apr.	30	" Bal to new %.		7,417	03	Apr.	30	" P. & Loss	4	619	53
				9,582	03					9,582	03
						1852.	1	By bal. fr. old %.		7,417	03
						May					

<i>Dr.</i>				<i>Robert Morris.</i>				<i>Cr.</i>			
1852.					1852.						
Apr.	1	To Sundries	1	2,789 50	Apr.	1	By Sundries	1	9,587 00		
"	30	" Bal. to new %.		7,417 03	"	30	" P. & Loss	4	619 53		
				10,206 53					10,206 53		
					1852.						
					May	1	By bal. fr. old %.		7,417 03		

Dr.			Cash.		Cr.		
1852.					1852.		
Apr.	1 To Wm. Penn	1	2,542	50	Apr.	6 By Sanders'n & Co	2 795 47
"	" " R. Morris	1	1,837	00	"	12 " Mdse.	2 787 50
"	3 " Mdse.	1	526	00	"	13 " "	2 96 00
"	5 " Sundries	1	2,553	50	"	14 " Sundries	2 1,924 90
"	17 " "	3	290	00	"	16 " Store Exp's	2 25 00
"	30 " Mdse.	3	1,600	00	"	20 " Bills Pay.	3 780 28
					"	23 " "	3 560 00
					"	26 " Mdse.	3 336 25
					"	30 " Store Exp's	3 30 00
					"	" " " "	3 140 00
							5,475. 40
					"	" Bal. to new %.	3,873 60
			9,349	00			9,349 00
1852.							
May	1 To bal. fr. old %.		3,873	60			

LEGER, SET IV.

<i>Dr.</i>				<i>Merchandise.</i>				<i>Cr.</i>			
1852.				1852.							
Apr.	1	To Wm. Penn	1	6,420 00	Apr.	3	By Sundries	1	3,450 00		
"	"	" R. Morris	1	2,750 00	"	5	" "	1	3,600 00		
"	3	" Mdse.	1	924 00	"	7	" Solomon & Brown	2	1,001 00		
"	12	" Sundries	2	1,575 00	"	17	" Sundries	3	580 00		
"	13	" "	2	2,018 50	"	26	" Mdse.	3	563 75		
"	26	" "	3	900 00	"	30	" Cash	3	1,600 00		
"	30	" P. & Loss (gain)	4	14,567.50	"	"	" Bal. (Rev't.)		10,794.75		
				16,005 63					5,210 88		
1852.									16,005 63		
May	1	To Bal. fr. old %.		5,210 88							

<i>Dr.</i>				<i>Bills Payable.</i>				<i>Cr.</i>			
1852.				1852.							
Apr.	5	To Sundries	1	1,050 00	Apr.	1	By Wm. Penn	1	2,165 00		
"	20	" "	3	787 50	"	10	" G. F. Wilson	2	560 00		
"	23	" Cash	3	560 00	"	12	" Mdse.	2	787 50		
"	30	" Bal. to New %.		2,307.50					8,512.50		
				1,115 00					3,512 50		
				3,512 50							
1852.					1852.						
May	1	By bal. fr. old %			May	1	By bal. fr. old %		1,115 00		

<i>Dr.</i>				<i>Bills Receivable.</i>				<i>Cr.</i>			
1852.				1852.							
Apr.	1	To R. Morris	1	5,000 00	Apr.	30	By Bal. to New %		7,293 08		
"	3	" Mdse.	1	2,000 00							
"	17	" Sundries	3	293 08							
				7,293 08					7,293 08		
1852.											
May	1	To Bal. fr. old %.		7,293 08							

<i>Dr.</i>				<i>Abel Sanderson & Co.</i>				<i>Cr.</i>			
1852.				1852.							
Apr.	6	To Sundries	2	800 00	Apr.	1	By R. Morris	1	800 00		

LEGER, SET IV.

3

Dr.

Solomon & Brown.

Cr.

1852.					1852.				
Apr.	7	To Mdse.	2	1,001 00	Apr.	1	By R. Morris	1	1,200 00
"	30	" Bal. to New %.		199 00					
				1,200 00					1,200 00
					1852.				
					May	1	By Bal. fr. old %.		199 00

Dr.

George F. Wilson.

Cr.

1852.					1852.				
Apr.	10	To Bills Pay.	2	560 00	Apr.	1	By R. Morris	1	789 50
"	30	" Bal. to new %.		229 50					
				789 50					789 50
					1852.				
					May	1	By Bal. fr. old %.		229 50

Dr.

Discount & Premium.

Cr.

1852.					1852.				
Apr.	14	To Cash	2	2 40	Apr.	5	By Sundries	1	3 50
"	30	" P. & Loss (gain)	4	15 93	"	6	" Sandersoh & Co	2	4 53
					"	17	" Sundries	3	3 08
					"	20	" Bills Pay.	3	7 22
				18 33					18 33

Dr.

E. M. Lafourcade & Co.

Cr.

1852.					1852.				
Apr.	14	To Cash	2	1,922 50	Apr.	13	By Mdse.	2	1,922 50

TRIAL BALANCE, LEGER, SET IV.

		Dr.	Cr.
L. F.			
1	William Penn - - - - -		6,797 50
1	Robert Morris - - - - -		6,797 50
1	Cash - - - - -	3,873 60	
2	Merchandise - - - - -	3,792 75	
2	Bills Payable - - - - -		1,115 00
2	Bills Receivable - - - - -	7,293 08	
3	Solomon & Brown - - - - -		199 00
3	George F. Wilson - - - - -		229 50
3	Discount & Premium - - - - -		15 93
4	Store Expenses - - - - -	195 00	
		15,154 43	15,154 43

INVENTORY-BOOK, SET IV.

Inventory of Mdse. unsold April 30th, 1852:		
20 Hhds. N. O. Molasses, 2,000 Gals., @ 26 ¹ / ₂		525 00
10 " " Sugar, 10,250 lbs., " 4 ^s		486 88
34 Bbls. Lard, 6,800 lbs. " 5 ^s		374 00
50 " Superfine Flour, @ \$3.50		175 00
100 " Mess Pork, " \$9.		900 00
250 " " Beef, " \$11.		2,750 00
		5,210 88

STATEMENTS, SET IV.

The total gains accruing from this business are -	\$1,434.06
" " losses " " " " " -	195.00
Making the firm's net gains -	\$1,239.06

Each partner's share is $\frac{1}{2}$ of \$1,239.06 = \$619.53.

The total assets at closing are -	\$16,377.56
" " liabilities " " -	1,543.50
Making the firm's net capital	\$14,834.06

The partners invested equal net capital at commencing, and neither one has made any new investment, or drawn any thing out of the business—so that

The credit balance of each partner's account is the same, \$6,797.50	
Add the $\frac{1}{2}$ net gains of each -	619.53

The net capital of each partner* is \$7,417.03

* It will not often occur that the net capital of two partners, at closing, will be precisely equal in amount, even though they invest equally.

STATEMENTS (*continued*).

The present worth of Wm. Penn is	-	-	-	-	\$7,417.03
" " " " Robt. Morris is	-	-	-	-	7,417.03
Firm's net capital, as above	-				<u>\$14,834.06</u>

Therefore :

In a partnership business, where the partners invest equal net capital, do a gaining business, and share alike in gains,

Deduct total losses from total gains—to find firm's net gains.

Divide firm's net gains equally—to find each partner's net gains.

Deduct total liabilities from total assets—to find firm's present worth.

Add each partner's $\frac{1}{2}$ net gains to the credit balance of his account—to find his present worth.

The present worth of the two partners, added together, must equal the present worth of the firm.

QUESTIONS FOR REVIEW, SET IV.

Is Set IV an individual or partnership business? Prosperous or adverse?

How do the partners share in gains and losses?

Where may the various auxiliary books, omitted in this Set, be found?

Wherein does the plan pursued in Sets IV and V differ from the Italian method?

What does the general rule for journalizing now become?

Which is the book of original entry? From which are all postings made?

Which are the first accounts to be opened on the Leger, in partnership books?

How does the closure of the Leger differ from the closure in Sets I, II, and III?

How is Profit & Loss account to be closed?

When and for what purpose is the Second Trial Balance to be taken?

Of what will it consist?

In the following transactions of a firm, what are the debits and credits—and why?

1st, Investment by one partner of Mdse. and cash.—2d, Assumption by the firm of sundry notes which that partner owes.—3d, Investment by the other partner of Mdse., sundry notes held by him against others, and cash.—4th, Assumption by the firm of this partner's indebtedness to three different persons.—5th, Sale of Mdse., for Mdse., for another person's note, and for cash.—6th, Sale of Mdse. for their note outstanding and for cash,—the note not being yet due, and they being allowed a discount thereon.—7th, Payment in cash of an account which the firm owe before it is due, they receiving discount.—8th, Sale of Mdse. on account.—9th, Acceptance by the firm of a draft on them.—10th, Purchase of Mdse. for their note and for cash.—11th, Receipt of Mdse. previously ordered from abroad, but not paid for, and payment of freight on same in cash.—12th, Purchase for cash, @ $\frac{1}{2}$ % premium, of a bill of exchange, and remittance of same to pay an account which the firm owe.—13th, Payment of draymen and laborers in cash.—14th, Sale of Mdse. at cash price, receiving part cash, and for the balance a note sufficiently large to cover discount thereon, so as to make it equal to cash.—15th, Discount, by the firm, of their note outstanding.—16th, Payment in cash of the firm's acceptance.—17th, Purchase of Mdse. for Mdse. and cash.—18th, Payment of repairs to store in cash.—19th, Sale of Mdse. for cash.—20th, Payment of clerk-hire and rent in cash.

What are the total gains of the firm in Set IV? Total losses? Net gains?

What is each partner's share of net gains? How found?

What are the total assets of the firm? Total liabilities? Net capital?

What is the net capital of each partner? How ascertained?

In such a business as Set IV represents, how can you find the firm's net gains?

How each partner's? How can you find the firm's present worth? How each partner's? What must the present worth of the two partners, added together, equal?

SET V, DOUBLE ENTRY.

IN this Set, there are two partners, sharing unequally in gains and losses, the entire capital being invested by one partner. It is a losing business. No Day-Book or Leger is given, but only the *history and elucidations*, from which you can write up your books as explained in Set IV. First prepare your Day-Book on a sheet of paper, and, when corrected, copy it into the blank book designed for it, and post up your Leger also in the accompanying blank book. Draw off statements from your Leger, and compare them with those on pages 141 and 142, with which they should agree.

Teachers will again find use for the Key.

1 HISTORY AND ELUCIDATIONS, SET V.

St. Louis, Mo., May 1st, 1852.

Lewis Latimer and David T. Hale have this day agreed to enter into partnership for buying and selling Real-Estate, Steamboat Stocks, &c.,—Latimer to furnish the capital, and receive Int. thereon. Latimer is to share three-fifths and Hale two-fifths of the gains or losses.

Lewis Latimer invests Cash on deposit in State Bank of Missouri, \$10,000.

State Bank of Missouri costs the firm value in their indebtedness to L. Latimer; and L. Latimer produces the firm value, to the amount of his investment.

When two Leger titles, as in this case, are so long that they cannot be written easily on one line, place the debit on one line, and the credit (prefixed by "To") on the next line.

In all the preceding Sets, no Bank account has been kept, and all moneys in bank have been counted as cash, the bank being considered as merely another place for keeping money, instead of the safe, and the account with the bank being regulated by the Bank-Book and the Check-Book, (which should always be kept when there are any dealings with bank, and which will be hereafter explained.) This is the usual method; but some houses prefer keeping accounts with the different banks with which they deal, in the same manner as accounts with persons, in their Leger—debiting sums deposited therein, and crediting sums checked out. In this Set the latter method is illustrated.

David T. Hale requires neither a debit nor credit at this time; but, in posting, his account should be the second opened on the Leger, that the partners' accounts may stand together.

3d

Bought of Timothy Golder a Farm in Jefferson Co., of this State, for \$2,500.

Paid pr. Check on State Bank of Missouri, \$500.

Gave our Notes for the Bal., secured by Mortgage on the Farm—one @ 1 year, \$1,000—one @ 2 years, \$1,000.

Real Estate, Jefferson Co., costs the firm the amount paid for the farm. State Bank of Mo. and Bonds and Mortgages Payable produce value.

Bonds & Mortgages Payable are a species of Bills Payable, and are sometimes entered to that account; but it is better to keep them distinct.

3d—There are quite a number of new Leger titles introduced into this Set, and they should be carefully considered.

4th

Bought of Foster & Livingston, One-Fourth of Steamboat Jenny Lind, for \$6,000; and One-Eighth of Steamboat Narragansett, for \$5,000.

Paid pr. Check on State Bank of Missouri, \$4,000; Our Note @ 30 days, for \$3,500; and Our Note @ 60 days, for \$3,500.

Steamboat Jenny Lind Stock and Steamboat Narragansett Stock each costs value, and each requires a debit.

State Bank of Mo. and Bills Payable produce value.

7th

Drew from State Bank of Missouri, pr. Check, and remitted to Peter Patterson, Jefferson Co., to be used by him in fencing our Farm, and making such repairs as we have directed to be made, \$200.

You may open an account with Remittances, instead of P. Patterson.

Remittances cost value—State Bank of Mo. produces value.

8th

Sold $\frac{1}{8}$ of Steamboat Narragansett for Cash, deposited in State Bank of Mo., \$3,000.

State Bank of Mo. has received the value produced by Steamboat Narragansett Stock.

St. Louis, Mo., May 10th, 1852.

Bought House and Lot, No. 40 Main St., for \$15,000.

Gave in part Pay't $\frac{1}{8}$ of Steamboat Narragansett, for \$3,000; Check on State Bank of Missouri, \$3,000; Our Bond, secured by Mortgage on the Property, payable in 2 years, for the Bal., \$9,000.

Real Estate, Main St. may be kept in a separate account from the other Real Estate. It has cost value in Sundries.

12th

Bought of Benjamin Judson, pr. Check on State Bank of Missouri, 20 Shares State Bank of Missouri Stock, @ \$48 per Sh.

State Bank of Mo. Stock has cost value. State Bank of Mo. has produced value. These are two distinct accounts; the Bank Stock being a species of speculating property, like Mdse.

15th

Rec'd Cash for 3 mos. Rent of House and Lot, No. 40 Main St., \$200.

Value is produced by Real Estate, Main St.

18th

Sold for Cash, which we have deposited in State Bank of Missouri, 10 Shares State Bank of Missouri Stock, @ \$50 pr. Sh.

This is the counterpart of entry of 12th inst.

19th

Paid Cash for Repairs of House, No. 40 Main St., \$25.

Real Estate, Main St. costs value.

22d

Paid David T. Hale Cash for private use, \$100.

David T. Hale has received value from the firm, for which he must be debited.

24th

Bought $\frac{1}{2}$ of Steamboat Balloon, at auction, for \$3,120.

Paid by Check on State Bank of Missouri.

Steamboat Balloon Stock costs the firm value.

25th

Rec'd intelligence that the Steamboat Jenny Lind was burned to the water's edge on the 20th inst.—Boat and Cargo total loss.

The Boat being one-half covered by Ins., we have Rec'd from the St. Louis Ins. Co. in Cash, \$3,000.

Lost the Balance of our Share in the Boat, \$3,000.

Steamboat Jenny Lind Stock must here be credited \$6,000—\$3,000 for value produced in cash, and \$3,000 as a transfer entry of the loss.

Cash must be debited for its cost, \$3,000.

Profit & Loss must be debited \$3,000, to transfer the loss on the steamboat into the Profit & Loss account, which is the receptacle of all gains and losses in business.

The general rule for transactions does not apply to this transfer of the loss, but the transfer is a regular closure of the Steamboat Jenny Lind Stock account, and might be made on the ledger in the same manner as other closing entries. It is usually, however, done through the Day-Book, as here shown.

8 HISTORY AND ELUCIDATIONS, SET V.

St. Louis, Mo., May 26th, 1852.

Insured, in the St. Louis Ins. Co., our House, No. 40 Main St., for \$5,077.16, to cover its estimated value, \$5,000, and the expenses of Ins., \$77.16.

Paid in Cash the Ins. on \$5,077.16, at 1¹/₂ % Cost of Policy, \$1.

Real Estate Main St. costs value. Cash produces value.

28th

Passed our Note, @ 30 days, to the Mutual Benefit Ins. Co., for Ins. on our Share of the Steamboat Balloon, for \$3,184.69, @ 2 %; and for Policy, \$1.

This is to cover cost, \$3,120, with expense of Ins.

Steamboat Balloon Stock costs value in Bills Payable.

Loaned James Brainerd Cash, \$100."

Instead of using James Brainerd's name, you may substitute an *alias*, to represent him and all other persons to whom, or of whom, the firm loan money for short periods of time—*vis. Loan account.*

Loan account here costs value in Cash.

29th

Rec'd of Peter Patterson an account of the use made of our Remittance to him of 7th inst.

He has paid for Materials, Labor, &c., in Repairs on Farm in Jefferson Co., (including his Com.) \$180; and has sent us the Balance in Cash, \$20.

Remittances, which account was intrusted with a certain sum of money on the 7th, has now furnished that money for paying repairs, &c.; and has thus produced the firm value, \$200.

Real Estate Jefferson Co. and Cash have cost the firm value.

Sold our Farm in Jefferson Co. to Norman Rodgers, for \$3,500.

Rec'd Cash in part, \$1,500; His Note for Bal., secured by Mortgage, and payable in two years, \$2,000.

Real Estate Jefferson Co. has produced value in Sundries.

Cash and Bonds and Mortgages Receivable have cost value.

Bonds and Mortgages Receivable are a class of Bills Receivable, but should be kept distinct, especially when numerous.

James Brainerd has paid the Cash loaned him on the 28th, \$100.

Loan account has produced value in Cash.

31st

Rec'd Cash for Dividend on 10 Shares State Bank of Missouri Stock—\$500, @ 5 %, \$25.

State Bank of Mo. Stock has produced value in Cash.

Deposited Cash in State Bank of Missouri, \$4,000.

State Bank of Mo. has cost value in Cash.

Due Lewis Latimer, for Int. on Capital invested, \$10,000—for one mo. to date, \$50.

Interest has cost the firm value in their obligation to Lewis Latimer.

L. Latimer has produced value in the use of his capital.

TRIAL BALANCE, LEGER, SET V.

		Dr.	Cr.
L.F.			
1	Lewis Latimer - - - - -		10,050 00
1	David T. Hale - - - - -	100 00	
1	State Bank of Missouri - - - - -	5,720 00	
1	Real Estate Jefferson Co. - - - - -		820 00
2	Bonds and Mortgages Payable - - - - -		11,000 00
2	Steamboat Narragansett Stock - - - - -		1,000 00
2	Bills Payable - - - - -		7,064 69
3	Real Estate Main St. - - - - -	14,902 16	
3	State Bank of Missouri Stock - - - - -	435 00	
3	Cash - - - - -	542 84	
3	Steamboat Balloon Stock - - - - -	3,184 69	
4	Profit & Loss - - - - -	3,000 00	
4	Bonds & Mortgages Receivable - - - - -	2,000 00	
4	Interest - - - - -	50 00	
		29,934 69	29,934 69

INVENTORY-BOOK, SET V.

Property remaining unsold, May 31st, 1852 :	
House and Lot, No. 40 Main St., valued at	15,000 00
1/2 Steamboat Balloon, " "	3,500 00
10 Shs. State Bank of Mo. Stock, @\$50 pr. Sh.	500 00
	19,000 00

STATEMENTS, SET V.

The total losses in this business have been -	\$3,050.00
" " gains " " " " " " -	2,298.15
Making the Firm's net losses -	\$751.85

Lewis Latimer's share is $\frac{2}{3}$ — \$451.11
David T. Hale's " " $\frac{1}{3}$ — \$300.74

The total assets at closing are - - - - -	\$27,262.84
" " liabilities " " - - - - -	18,064.69
Making the Firm's net capital	\$9,198.15

STATEMENTS (*continued*).

Lewis Latimer invested at commencing	-	-	\$10,000.00
Add interest, as agreed	-	-	50.00
Total credit to his account			<u>\$10,050.00</u>
Deduct his $\frac{2}{3}$ net losses, as above	-	-	451.11
His net capital is	-	-	<u><u>\$9,598.89</u></u>

David T. Hale has drawn out for private use :—			
Total debit to his account	-	-	\$100.00
Add his $\frac{2}{3}$ net losses, as above	-	-	300.74
His net insolvency is	-	-	<u><u>\$400.74</u></u>

Latimer's net capital or present worth	-	-	\$9,598.89
Deduct Hale's net insolvency	-	-	400.74
Firm's net capital, as above	-	-	<u><u>\$9,198.15</u></u>

Therefore :

In a partnership business, where one partner invests the entire capital, and draws out nothing, while the other partner invests nothing, but draws out for private use, and they do a losing business,

Deduct total gains from total losses—to find firm's net losses.

Divide the firm's net losses, according to the original agreement—to find each partner's net losses.

Deduct total liabilities from total assets—to find firm's net capital.

Deduct the net losses of the partner who invests capital from the credit total (or balance) of his account—to find his net capital at closing.

Add the net losses of the partner who makes no investment to the debit total (or balance) of his account—to find his net insolvency at closing.

Deduct the net insolvency of one partner from the net capital of the other—to find the firm's net capital—which must agree with the difference between the firm's assets and liabilities.

DETECTION AND CORRECTION OF ERRORS.

Much has been said and written about the detection of errors in Book-keeping, and many *so-called infallible* schemes have been put forth, by which to discover at a glance whether an error exists, and, if so, to trace it to its origin. But *no* plan has yet come before the public which will bear the test of rigid scrutiny; and the only certainty of accuracy in every respect appears to be an examination of items in detail. The Trial Balance is the best short test of correctness in posting yet discovered, and this is defective, inasmuch as errors may exist while the Trial Balance is apparently entirely correct:—such as posting to the wrong account, although on the right side; omitting to post a debit and a credit of equal amount, &c. But if the Trial Balance is not in equilibrium, there is certainly an error, which must be sought and corrected.

Detection.

1st. See whether the pencil footings on the Leger, made preparatory to taking the Trial Balance, are correct, and whether the balances of the different accounts have been transferred into the Trial Balance rightly.

2d. If there is still an undiscovered error, examine each post separately, checking the entries in both Journal and Leger as you proceed, until you have been over the whole; and then look through again, to see if any amount remains unchecked, and, if so, investigate the cause of the omission.

In this manner, you can scarcely fail to discover the mistake, provided the Journal is correct; but great care should be taken to see that the Journal is in equilibrium, before posting, as any discrepancy there will give you much trouble in the Leger.

Correction.

In the Day-Book (or any other book of original entry) erasures are not admissible,—since this book is taken as evidence in courts of justice,—and any thing obliterated or erased looks suspicious; would probably render invalid the entry with which it is connected; and in some cases might even throw the whole book out of court, as evidence unfit to receive. Errors in it should therefore be corrected by making other entries explaining them; or the erroneous entry, if it has not been journalized, may be marked “Void,” and remain without further alteration, a new and correct entry being made of the transaction.

In the Journal erasures are sometimes admissible, although it is generally advisable to treat errors as directed for the Day-Book.

In the Leger, if an entry be posted to the wrong account, or to the wrong side of the account, make ciphers of the figures, and leave the remainder, so as not to deface the Leger; then post the entry to its proper place. If a wrong amount be posted, alter it to the right. And if a duplicate post be made, make ciphers of the figures in the erroneous one.

QUESTIONS FOR REVIEW, SET V.

How many partners in Set V? How do they share the gains and losses?

How is the capital invested? Is it a gaining or losing business?

With what should the statements drawn from your Leger agree?

In the following transactions of a firm, what are the debits and credits—and why?

1st, Investment by one partner of the entire capital, in cash deposited in a bank. [In answering this and the following questions, bear in mind that in Set V an account is kept with the bank.]—2d, Purchase of a farm in Jefferson Co., and payment by check on the bank, and by the firm's note secured by mortgage on the property—3d, Purchase of a portion of two steamboats, and payment by check on bank, and by firm's note.—4th, Draft of money from bank, and remittance of it abroad to an agent, to be used by him as directed.—5th, Sale of steamboat stock for cash deposited in bank.—6th, Purchase of a house and lot on Main street, and payment by portion of a steamboat, by check on bank, and by the firm's note, secured by mortgage.—7th, Purchase of stock in bank by check on the bank.—8th, Receipt of cash for rent of house and lot on Main street.—9th, Sale of bank stock for cash deposited in bank.—10th, Payment of cash for repairs of house, No. 40 Main street.—11th, Payment of cash to a partner for private use.—12th, Purchase of a portion of a steamboat by check on bank.—13th, Burning of a steamboat partly owned by the firm, and receipt of cash for the portion covered by insurance—balance lost.—14th, Payment of cash for insurance on house on Main street.—15th, Giving of note by the firm for insurance on their share of a steamboat.—16th, Loan of cash.—17th, Receipt from an agent abroad of a portion of the money previously remitted to him, with information that he has used the balance in making repairs on farm in Jefferson Co.—18th, Sale of farm in Jefferson Co., for cash, and for another person's note secured by mortgage.—19th, Return of money loaned out.—20th, Receipt of cash for dividend on bank stock.—21st, Deposit of cash in bank.—22d, Allowance of interest to a partner on capital invested.

What are the total losses of the firm in Set V? The total gains? The net losses?

What is Latimer's share of the net losses? What is Hale's share?

What are the total assets of the firm? The total liabilities? The net capital?

What is the net capital of Lewis Latimer? How ascertained?

What is the net insolvency of David T. Hale? How ascertained?

In such a business as Set V represents, how can you find the firm's net losses?

How each partner's? How can you find the firm's net capital? How can you find the net capital of the partner who invests capital at starting? How the net insolvency of the partner who makes no investment? If you deduct the net insolvency of one partner from the net capital of the other, what will the difference show:—with what must it agree?

Has any short and infallible method been discovered for detecting errors in books?

What affords the only certainty of accuracy in keeping books?

What is the best short test of correctness in posting yet discovered?

Why is this test defective?

Mention some errors that may exist when the Trial Balance is apparently correct.

If the Trial Balance is not in equilibrium, what may you be certain of?

Explain how to detect errors made in posting, or taking a Trial Balance.

How should an error be corrected in the Day-Book?

How should an error be corrected in the Journal?

How should an error be corrected in the Leger?

BALANCE SHEETS

AND

LEGER ACCOUNTS.

BALANCE SHEETS EXPLAINED.

TAKE a sheet of unruled foolscap or letter paper, and draw a double red line around it close to the edge, for a border; then draw a pencil line across the sheet lengthwise, about three-quarters of an inch from the border on one side; follow this with two other pencil lines, one-half that distance apart; then draw a double red line under the first and last pencil lines. This serves for a heading.

For "*Stock*" Sheets, commence under this heading, and rule enough lines, with pencil, to receive all the accounts in your Trial Balance, and leave eight extra. Now turn the sheet, so that the heading will be at your left, and commence ruling, with red ink, the money columns, after the pattern shown on the following page, dropping three lines after "Balance," two after "Stock," two after "Profit & Loss," and one after "Face of Leger." Next rule the footing and closing lines at the bottom of the columns.

In "*Partnership*" Sheets, rule twelve more pencil lines from the heading than your Trial Balance contains accounts; then, in ruling for the money columns, drop four lines after "Balance," two after the first partner, two after the second partner, three after "Profit & Loss," and one after "Face of Leger." [For three partners, see Counting-house edition.]

Having prepared your Sheet thus, and made the proper headings to it, first bring into it the Trial Balance of your Leger, which, you will now observe, is called in the Balance Sheet, "Face of Leger."

Next, enter to each property account the property remaining unsold, as pr. Inventory-Book; placing the amount in small red-ink figures in "Face of Leger" column, on the credit side, immediately below the line containing the difference of said account; and making the opposite entry in "Balance" column, on the debit side, in black ink. At this state, the sheet is like the Leger when ready to close.

You will now transfer the difference of Stock, as shown in the "Face of Leger," into the column appropriated for it, headed "Stock;" then follow with the next account in order, taking its difference into "Profit & Loss," or "Balance," agreeably to its nature; and thus continue until all the accounts in the "Face of Leger" have been transferred. In each speculating property account which has a balance of property unsold, as shown by the red-ink entry in "Face of Leger" column, this balance must be counted in as a credit to the account, and then the difference must be transferred into "Profit & Loss." After finishing all these transfers, "Stock," "Profit & Loss," and "Balance" only remain open, and the Balance Sheet corresponds to the Leger when ready for taking the Second Trial Balance.

Finally, close "Profit & Loss" into "Stock," when the differences of the "Stock" and "Balance" columns should just equal each other, and each of these differences should show the net capital, or the net insolvency.

Footing up these columns completes the Balance Sheet, which will now be found to agree with your Leger when closed.

NOTE 1.—Balance Sheets are given for Sets I, II, and IV. You may make these out for yourself, and also make those for Sets III and V—and VI, when you come to it.

NOTE 2.—When the *personal* accounts are numerous, they may be summed up together, under two heads, "Personal accounts due me," "Personal accounts I owe."

Total Resources and Liabilities
Net Capital, as pr. Stock

* You can here insert your name.
† Bal. of Mdse. remaining unsold, as pr. Inventory.

Philadelphia,
February 28th, 1852.

Total Resources and Liabilities

LEGER ACCOUNTS.

If you have written up the several preceding sets of books, individual and partnership, you have been made acquainted with the *main facts* and *principles* which govern the science of Double Entry Book-keeping, in journalizing, posting, opening and closing Legers, and making out exhibits therefrom. Before proceeding further, it will be well to note the application of these principles to the different Leger accounts, tracing out the *reasons* for every debit and credit therein contained, and thereby fixing in the mind such facts as are necessary to guide you in your future progress. I shall, therefore, here furnish a concise explanation of the various accounts, which occur in the more simple business operations, omitting such as pertain exclusively to Shipping and Commission business.

Observe the fact, that the *rule for journalizing* is constantly applied in these explanations; thus showing that it is not only of utility as an assistant in journalizing, but is the *main key* for unlocking *all* the treasures of the science.

Merchandise, and other Speculating Property Accounts.

Merchandise account is kept to know the cost and proceeds of merchandise bought and sold; and as a consequence, the gains or losses thereon.

Merchandise costs value when it is purchased—it is debited when it costs value—and consequently the *debit* side shows its *cost*, or *purchases*.

Merchandise produces value when it is sold—it is credited when it produces value—and consequently the *credit* side shows its *proceeds*, or *sales*.

When all is sold, the difference between the two sides will be a gain or loss. If a portion of goods remains on hand unsold, this balance must be credited to the account, prior to closing, as an offset thus far against its cost.

If the debit side is the larger, it is closed "By Profit & Loss;" if the credit side is the larger, "To Profit & Loss:"—always into Profit & Loss.

Real Estate, Bank Stock, Rail-Road Stock, Steamboat Stock, Shipment accounts, Adventure accounts, and all other *speculating property* accounts, are kept for the same purpose, and treated in the same manner as the Merchandise account.

LEGER ACCOUNTS (*continued*).

Cash.

The Cash account is kept to show the amount of cash received, the amount paid out, and the balance on hand at any time.

Cash costs value, and is debited, when it is received; consequently, the *debit* side shows the *amount received*.

Cash produces value, and is credited, when it is paid out; consequently, the *credit* side shows the *amount paid out*.

The *balance on hand* is ascertained by deducting the total credit from the total debit. The debit side is always the largest as long as there is any cash on hand, since cash must be received before it can be paid out.

This account is closed "By Balance."

NOTE.—When no Balance account is opened in the Leger, the entry in closing is "By Balance to new account,"—and so in similar closures.

Personal Accounts.

Accounts are kept with persons to show your business dealings with them. A person is debited when he is the occasion of any outgo or expenditure to you; in other words, whenever he costs you value; and he is credited whenever he produces you value in any way.

The *debit* side shows what the *person owes you*.

The *credit* side shows what you *owe the person*.

These accounts are closed either "To Balance" or "By Balance."

Sundry Debtors. Sundry Creditors.

SUNDRY DEBTORS.—This account is the representative of persons who owe you, and is used to avoid opening numerous petty accounts upon the Leger. It contains entries to persons with whom your dealings are too limited to open a separate account to each. On the debit side of the account, in the Leger, instead of writing "To *Merchandise*," (or "To" whatever other title constitutes the balancing entry,) it is customary to place the name of the person who is debtor, thus—"To John Barbour," "To Samuel Black," &c.,—and by this arrangement you can see in the account who it is that owes you. Then each credit is commonly posted on the same line as the debit which it cancels—leaving a blank space opposite to the names of such persons as have not paid.

The closure is "By Balance."

SUNDRY CREDITORS.—This account is exactly the reverse of Sundry Debtors, in its treatment and the mode of entry to it:—and is kept for the same purpose, viz. to avoid opening numerous petty accounts upon the Leger.

NOTE.—When no Balance account is opened, these accounts would be permitted to remain unclosed, as each line constitutes in fact a separate account, and has its own independent balance.

LEGER ACCOUNTS (*continued*).

Bad Debts, or Suspended Debts.

Into this account are transferred such personal accounts as are considered of too doubtful a character to be relied upon as constituting a part of your assets. It is closed "By Balance;" but whenever any portion is positively ascertained to be bad, that portion is closed into "Profit & Loss."

Bills Receivable.

The object in keeping this account is that you may know the amount of other persons' notes received, the amount that has been paid, and the balance yet due you.

Whenever you receive a note, it costs you value, and this account is debited; therefore the *debit* side shows the *amount of notes received*. When a note which you hold is paid, it produces you value, and this account is credited; therefore the *credit* side shows the *amount paid*. The *debit* side is always the larger, if either, and the excess shows the balance of notes on hand unpaid.

When all the notes that you hold against others are paid, this account closes itself; but if any remain unpaid, it is closed "By Balance."

Bills Payable.

Bills Payable account is kept that you may know the amount of your own notes issued, the amount taken up, and the balance still outstanding against you.

Whenever you issue a note, it produces you value, and Bills Payable account is credited: hence the *credit* side shows the *amount of notes issued*. When a note which you have issued is taken up by you, it costs value, and Bills Payable account is debited: hence the *debit* side shows the *amount taken up*.

The credit side is always the larger, if either, and the excess shows the balance of notes outstanding unpaid.

When all the notes issued by you are taken up or paid, this account closes itself, but if any remain unpaid, it is closed "To Balance."

Bonds & Mortgages Receivable.

Bonds & Mortgages Receivable are a class of Bills Receivable, and might be kept under that head, but it is usually preferable to open a separate account, which is treated precisely like Bills Receivable.

Bonds & Mortgages Payable.

Bonds & Mortgages Payable are a class of Bills Payable. This account is treated precisely like Bills Payable account.

LEGER ACCOUNTS (*continued*).

Bank.

When a Bank account is kept in the Leger, it is similar in its treatment to Cash and Bills Receivable, the *debit* side showing the amount of value *deposited* in the bank, and the *credit* side the amount *checked* out: consequently the difference is a balance in bank—closed “By Balance.”

Generally no Bank account is kept in the Leger, and sums of money in bank are counted as cash on hand in balancing the Cash account. Your dealings with the bank would then be regulated by the Bank-Book and Check-Book.

Premium, Interest, Discount, Exchange, Commission, Guarantee, Insurance, Expenses, Charges, &c.

These and similar accounts are kept to ascertain what they cost you, what they produce you, and, as a consequence, whether you gain or lose thereon.

Excess of *debit* shows a larger amount of cost than proceeds, and a consequent *loss* upon the account; while excess of *credit* shows a larger amount of proceeds than cost, and a consequent *gain*.

These accounts are always closed into “Profit & Loss.”

Remittances.

Remittances account is used for preserving a record of sums sent to *agents* to be applied by them for your benefit, according to your direction.

This account costs you value, when you send the money abroad, and is debited; hence the *debit* shows the *amount remitted to your agent*.

It produces you value, when the money previously charged to it is used in transacting your business, or is remitted to you again; hence the *credit* shows the *amount disbursed by your agent*. The difference shows a balance still in the hands of the agent, and is closed “By Balance,” the debit being always the larger, if either.

This account may also be used for preserving a record of sums remitted to you, to be disbursed for others. In this case the *credit* side would receive the first entries, and would be the larger so long as any funds remained in your possession; and therefore the closure would be “To Balance.”

LEGER ACCOUNTS (*continued*).

Loan Account.

This account is used as the representative of persons to whom you loan and of whom you borrow money.

The *debit* side contains sums loaned by you to others, and payments by you of moneys previously borrowed of others, because in these cases the Loan account costs value.

The *credit* side contains sums borrowed by you of others, and payments by others of moneys previously loaned to them, because in such cases the Loan account produces value.

If the debit is the larger, it shows you have money due you on Loans—if the credit is the larger, it shows that you owe borrowed money.

It is closed "To Balance" or "By Balance."

Profit & Loss.

This account is the receptacle of your gains and losses in business. During the business, any outgo or expenditure which has no other appropriate account for its reception, is debited to this account, and any income which cannot properly be classed under another head, is credited to this account. In closing the books, all gains and losses are transferred into this account, losses being placed on the debit, and gains on the credit side, as in the accounts from which the transfer is made.

Therefore :—The *debit* side contains *losses*.

The *credit* side contains *gains*.

The *difference* shows net *gains* or *losses*.

This account is closed into *Stock*, or into the *partners accounts*.

Stock.

This is your representative, when conducting business without a partner, and is used instead of your own name.

Debts at starting, sums drawn out during the business, and net losses at closing, are placed upon the *debit* side of *Stock* :—Effects invested at starting, sums invested during the business, and net gains at closing, are placed upon the *credit* side.

After receiving the gains or losses, if the credit of this account is the larger, the excess is your *net capital*; if the debit is the larger, the excess is your *net insolvency*.

It is closed into *Balance*.

LEGER ACCOUNTS (*continued*).

Partners' Accounts.

The *debit* side of a Partner's account contains debts assumed by the firm for him, either at starting or during the business, sums received by him from the firm, and his share of the net losses at closing: The *credit* side contains his investment at starting, sums invested during the business, and his share of net gains at closing.

After receiving the gains or losses, an excess of debit shows *net insolvency*, an excess of credit *net capital*. The account is closed into *Balance*.

Balance.

When this account has received all the balances which are closed into it, the *debit* side contains the *available means* of the individual or firm whose business is represented, consisting of property on hand, and balances of accounts due, styled *resources* or *assets*.

The credit side contains the *indebtedness* of the individual or firm, styled *liabilities*.

If the difference be a *debit* excess, it is *net capital*; if a *credit* excess, it is *net insolvency*.

The balance brought down from Stock account closes this account.

In a partnership, the balances from the several partners' accounts close it.

N. B.—THE FINAL PROOF OF DOUBLE ENTRY BOOK-KEEPING consists in the agreement of *Stock* and *Balance* differences; and is the result of an arrangement to bring all the gains or losses of the business through Profit & Loss into the account of *Stock*, thus increasing or diminishing that account just in the same proportion that the assets and liabilities are increased or decreased, as shown in the *Balance* account.

In the closure of the Legers to the first three Sets of books given in this work, a *Balance* account was used, believing that you would thereby obtain a better knowledge of the agreement between accounts which show gains and losses, and accounts which show balances. In actual business, however, this account is seldom, or never, used, and it is therefore omitted in the other Legers given. But the *same principles* apply in closing Legers *without* the *Balance* account as with it; and the *SAME PROOF* exists, since the *assets* and *liabilities* are *as really* contained in the Leger, although found under the various accounts usually closed into *Balance*.

QUESTIONS ON LEDGER ACCOUNTS.

Why is *Merchandise* account kept?

What does the debit show, and why? What does the credit show, and why?

When all is sold, what will the difference between the two sides be?

If a portion remains unsold, what is to be done prior to closing?

How is this account closed?

Why are *Real Estate* and other *speculating property* accounts kept, and how treated?

For what purpose is the *Cash* account kept?

What does the debit side show, and why?

What does the credit side show, and why?

How is the balance on hand ascertained?

Which side must be the larger, if either? How is the account closed?

For what object are *personal* accounts kept?

What is shown upon the debit? What upon the credit? How closed?

Of what is the account of *Sundry Debtors* the representative? Why is it used?

What does it contain? How are entries made therein? How closed?

Explain the account of *Sundry Creditors*, and its use.

Explain *Bad Debts*, or *Suspended Debts*.

For what is the account of *Bills Receivable* kept?

What does the debit show? What does the credit show?

Which side is the larger, if either, and what does the excess show?

How do you close this account?

Explain the object of *Bills Payable*.

Explain the credit—the debit. Which side is the larger, if either?

How is this account closed?

Explain *Bonds & Mortgages Receivable*. Explain *Bonds & Mortgages Payable*.

To what is *Bank* account similar in its treatment?

What does the debit of this account show?—the credit?—and balance? How closed?

Is a *Bank* account usually kept in the *Leger*?

Why are accounts kept with *Premium*, *Interest*, *Expenses*, and the like?

What is shown by an excess of debit? What by an excess of credit?

How are such accounts closed?

For what is *Remittances* account used?

When do you debit, and when credit *Remittances*, and why?

Which side of *Remittances* is usually the larger, and how is the closure made?

For what other purposes may this account be used?

What does the *Loan Account* represent?

What does the debit side contain? What does the credit?

What does the difference show, and how is the account closed?

Of what is *Profit & Loss* the receptacle?

During the business, with what is it debited and credited?

In closing the books, what are transferred into it?

What does the debit contain? What does the credit?

What does the difference show? How is the account closed?

Whom does *Stock* represent, and instead of what is it used?

What items are placed upon the debit side? What upon the credit?

How does it show the *net capital*, or *net insolvency*?

How is it closed?

What does the debit, and what the credit of a *Partner's* account contain?

After receiving the gains or losses, what does the difference show? How closed?

What is contained on the debit side of *Balance* account? What on the credit?

What does the difference show? How is the account closed?

Wherein does the final proof of *Double Entry Book-keeping* consist?

Of what is it the result?

Is *Balance* account generally used in business?

Does the same proof of correctness exist in closing without a *Balance* account as with it?

WHITE & ELLSWORTH.
SET VI, DOUBLE ENTRY.
Plan for Journalizing Monthly.

EXPLANATORY REMARKS, SET VI.

By writing up the preceding five Sets of books, by making out the balance sheets and other exhibits, and by a careful review and study of the same, so as to be able to answer all the questions which have been asked, you should now be well acquainted with the fundamental and governing principles of Double Entry Book-keeping. But you have by no means exhausted the subject. Many things remain yet to be learned,—more than can be treated of in an elementary work like this. Those desirous of fully mastering this science, and of reducing its principles to practice, as an art, in the most labor-saving and convenient methods, are recommended to procure my Counting-house edition of Book-keeping. This contains an explanation of foreign shipping business, and of Western river steamboating; and also a large variety of practical forms, designed to aid the accountant in so adapting his books to his business, that he may with the least writing and trouble accomplish the most perfect results.

But, to render what has been already stated of more direct and practical utility to such as may not be able to procure and study my larger treatise, I have concluded to add here another Set, illustrative of one of the many improvements in the art of keeping accounts. This Set exhibits a method known to almost every experienced accountant as the plan of “journalizing monthly.” It is designed for a *wholesale, jobbing* business; but a similar form of accounts may be used to advantage in many other kinds of business, by varying the books of original entry slightly, as occasion may demand. In *manufactories*, in large *retail* stores, and in houses doing a *general trading* business, such a form is often used.

The important books of original entry are Cash-Book, Bill-Book, Sales-Book, and part of the Journal—which is used during the month for making such entries as would otherwise require a separate Day-Book. The first three mentioned are journalized monthly, by which process the various entries in each to any given account are summed up together in the Journal, and the postings are made in monthly totals, instead of a separate post to every separate entry. These four books (including the Journal only so far as it is so used) are in fact all Day-Books, *i. e.* they all contain the daily original records of transactions, and are the books which must be relied upon for evidence in courts of justice. Therefore, the remarks made on page 143, as to corrections of errors in the Day-Book, are equally applicable to each of these books, as used in this Set, which should be so kept as to be above suspicion of fraudulent intent or erroneous result.

Besides these, there are various *auxiliary books* needed, examples of which are given, with explanations accompanying them, on pages 179–186.

CASH-BOOK, SET VI.

The Cash-Book is always an important book, for the Cash account is found to be the most difficult to keep correctly of the whole list of accounts, because cash is the basis of all trade, and is constantly passing out for purchases and expenses, and coming in for debts and sales.

In Double Entry, as well as in Single, the debit side of this book contains all cash received, and the credit side all cash paid out, and the difference between the two sides (or the debit excess) should always show the exact amount of cash on hand, counting—if you keep no Bank account in the Leger—the amount in bank, as well as that which is not in bank. This balance should also agree, at all times, with the balance of the Cash account in the Leger, when that account is posted up.

In connection with Sets I to V, inclusive, a Cash-Book would be only for the purpose just mentioned, to preserve the Cash account from errors; but, as used in this Set, it has another and still more important office, for it is the exclusive and only book of original entry for cash transactions, and the Leger titles (as well as the explanations) should be carefully ascertained and correctly recorded, otherwise the Journal entries therefrom will be erroneous. Although generally the Cash-Book may be balanced daily, or at such times and as often as suits the taste and convenience of the book-keeper, yet, as here used, it will be found more convenient to make a formal balance of it but once a month; in order that the monthly total *debit* footing of this book (less the balance brought down at the commencement of each month) shall agree with the gross amount of the entry "Cash To Sundries" in the Journal; and that the total *credit* footing (less the balance at the close of each month) shall agree with the gross amount of the entry "Sundries To Cash" in the Journal. But once a week, or as often as it is wished to make trial of the correctness of the Cash account, the debit and credit columns may be footed up, and then the amount of cash in bank (as shown by the Check-Book) and the amount in Safe may be placed in red ink a little to the left of the credit footing, and if their sum be equal to the difference of the cash columns, it proves the account correct. In each subsequent testing of the account, the last preceding footings of the columns should be included in the additions made; thus the gross amounts are carried forward until the end of the month.

Some transactions require entries on both the debit and credit sides of the Cash-Book at the same time, as, for example, on the 2d inst., we have "Cash Cr. By Abbott Lawrence & Co., in part for Purchase, \$4,250," as if we actually paid him that much, and then, on the opposite side, "Cash Dr. To Interest" for the discount he allowed us. See also entries of 11th, 16th, and 19th. With Walter Comstock, one of the hands, an open account is kept—the other hands are paid weekly. Many other little peculiarities might be noticed, but a critical examination as you write up the book will enable you to discern them.

BILL-BOOK, SET VI.

Bills Receivable and Bills Payable are usually bound in opposite ends of the same book, styled **Bill-Book**. This book is so simple, that you will see by inspection its utility; and all necessary explanations are made by the headings of the different columns. The entries extend across two opposite pages of the blank book, which together constitute but one page, or folio, of the **Bill-Book**. Other persons' notes to you are entered in this book at the time of their reception, and your own notes to others are entered at the time they are issued.

The amount of unpaid notes held by you against others, as shown by this book, must agree at all times with the balance of **Bills Receivable** account in the **Leger**; and the amount of unpaid notes outstanding against you, as here shown, must agree with the balance of **Bills Payable** account in the **Leger**.

This, like the **Cash-Book**, may be a mere memorandum book, for keeping a correct record of notes received and issued, or it may be, as it is in this Set, an important book of original entry from which to journalize. The total of the Journal entry "**Bills Receivable To Sundries**" must correspond with the gross amount of notes received; and the total of the entry "**Sundries To Bills Payable**" must agree with the gross amount of notes issued.

SALES-BOOK, SET VI.

The **Sales-Book**, like the books already spoken of, is often used as a mere auxiliary. But, in this Set, it is one of the main books of original entry, and one from which Journal entries are made. All sales, both for cash and on credit, are entered in it, at the time the sale is made. At the close of each day, the sales for cash are transferred to the **Cash-Book**—first noting on a slip of paper the amounts of the several cash sales, adding them up, and comparing the total with the money actually received during the day for sales, which receipts should be kept separate from the other moneys on hand for the purpose of this comparison. If any portion of such receipts are deposited in bank, a memorandum can be kept thereof, and counted in as so much cash; so also with any other sums added to or taken from the same.

Credit sales are extended into the outer or right-hand column, but cash sales are kept in the left-hand column, or if the amount of an entry has been extended, and subsequently, but before the entry is journalized, it is paid, the figures in the outer column should have lines drawn through them, so that they will not be included in the footings of the **Sales-Book**. The credit sales are added up, and the amount carried forward from page to page till the end of the month. This book is journalized under the heading of "**Sundries To Merchandise**," and the total credit to Merchandise under this head must agree with the final footing of the **Sales-Book**.

NOTE. It is the practice with many jobbing houses to take notes of all their customers. Many of these notes are not negotiable, but are taken merely as evidence of debt. For them a separate **Bill-Book** is kept, and they are not posted to the account of **Bills Rec.** in the **Leger**, but the sale remains to the debit of the individual as if he had given no note, and when any payments are made, they are passed to the credit of his account, being endorsed on the note as usual.

JOURNAL, SET VI.

Transactions oftentimes occur in the course of business which cannot appropriately be entered in the Cash-Book, or Bill-Book, or Sales-Book; and for these some have a separate Day-Book, and journalize it monthly like the other books. But I prefer using the Journal as a Day-Book during the month, and placing such entries in it; and then posting them directly from this first entry to the Leger. Purchases of goods on credit, and such cash purchases as you wish to have appear on the Leger, in the account of the person from whom you buy, are entered also originally in the Journal. The invoices are kept on file until the end of the month, when they are arranged in order, and entered "Merchandise To Sundries," all the purchases of any one man being brought together in one total in making the entry, so as to save labor in posting. The remaining and legitimate use of the Journal (that from which it takes its name) is to receive the entries transferred into it monthly from the other books.

Directions for Writing up, Set VI.

Commence with the *first* day of the month, and by examining you will find one entry in the Journal and two in the Cash-Book on that day, which you will enter in the same manner in your Journal and Cash-Book—leaving the Leger folio columns blank, to be filled when you post. Next examine the different books of original entry, to see what transactions occur on the *second* day, and enter the same in your books. After completing them, proceed with the *third* day in like manner. And so on with each succeeding date, recording, in the proper books, all transactions that take place on any particular day, before making any entry of the day following it. This will give an idea of the exact process of entry in the counting-house.

At the close of the month, journalize one of the books of original entry entire, then a second, and so on, until all are journalized. It makes no material difference which book is journalized first, but the Cash-Book is the one here selected. Commence with the debit side—"Cash To Sundries"—and enter the various receipts to the credit of the proper accounts, and place together the several sums received at different times from the same account, so as to add up and post them in one amount to the Leger. This renders it necessary to look over the whole of the Cash debits carefully for each account entered, to find all the receipts therefrom; and, to avoid omissions and errors, check each sum in the Cash-Book, as soon as journalized. To afford convenient reference from the Journal to the Cash-Book at any time, affix to each sum its proper date. Having completed the debits, next journalize the credit side, saying "Sundries To Cash," and debiting all accounts for which payments have been made during the month.

Journalize the Bill-Book under the headings "Bills Receivable To Sundries," and "Sundries To Bills Payable," checking the items as you proceed.

"Sundries To Merchandise" is the proper heading for the Sales-Book.

The two columns for dollars and cents are not used to distinguish debits from credits, but the first is for items, and the second for the extension of sums total.

In posting the entries journalized, the last day of the month may be used for the date in the Leger. In opening the accounts in this Leger, you may observe the usual counting-house arrangement of them, which is to open the accounts of partners, property accounts, and all the general business accounts, in the first part of the Leger, by themselves; and to let all the personal accounts follow them. This renders convenient the taking of Trial Balances and other exhibits from the Leger. See page 177.

Be particular and make your own additions, extensions, and other calculations, wherever they occur in any of the books.

CASH-BOOK, SET VI.

*Dr.**Cash.*

1852.						
June	1	To Albert A. White,	Am't invested	6,874	70	
"	"	" Edwin Ellsworth,	" "	6,388	56	
"	2	" Interest,	3 % Dis. on \$4,250.40, paid to A. Lawrence & Co., in part for purch's @ 3 mos., pr. contra	127	51	
"	"	" Merchandise,	Sales this day	20	00	
"	"	" Thompson & Haines,	In part for Sales of date	100	00	
"	3	" Merchandise,	Sales this day	392	86	
"	4	" Do.	" " "	28	00	
"	5	" Solomon & Brother, On %		250	00	
				14,181	63	
"	8	" Merchandise,	Sales this day	4	25	
"	9	" Do.	" " "	80	00	
"	10	" Do.	Of Trevor & Lewis for Sale of 9th inst., less Dis. pr. contra	415	35	
"	"	" Do.	Sales this day	14	00	
"	11	" Bills Receivable,	In full for Note No. 2, due Dec. 11th, proximo, less Dis. pr. contra	639	25	
"	12	" Jones, Fithian & Co.,	For Bal. of Sale of date, & Int.	56	85	
				15,391	33	
"	14	" Merchandise,	Of R. Jones for Sale of 8th inst., less Dis. pr. contra	37	80	
"	"	" Do.	Sales this day	289	00	
"	15	" Do.	" " "	80	50	
"	16	" Interest,	Dis. on Bills Pay. No. 3, pr. contra	7	01	
"	18	" Merchandise,	Sales this day	67	50	
"	19	" Bills Receivable,	In full for Note No. 6, due 19th Dec. next, less Dis. pr. contra	692	40	
"	"	" Merchandise,	Sales this day	24	00	
				16,589	54	
"	21	" Solomon & Brother, On %		300	00	
			Am't forward	16,889	54	

CASH-BOOK, SET VI.

1

*Cash.**Cr.*

1852.					
June	2	By A. Lawrence & Co., In part for Purchases		4,250	40
"	3	" Merchandise, Bo't of Hugo & Co., pr. Invoice		725	64
"	"	" Expenses, Paid Store Fixtures		24	50
"	4	" Do. 1 Ream Paper		2	25
"	5	" Do. Wages of Hands		15	25
		<i>In Bank,</i>	9,110.23		
		<i>In Safe,</i>	53.36		
			\$9,163.59		
				5,018	04
"	7	" Walter Comstock, On %		10	00
"	8	" Expenses, Bill of Painting & Labor		23	50
"	"	" Do. Advertising		13	25
"	10	" Interest, Discount on Bill sold Trevor & Lewis, 9th inst., \$415.35 pr. contra, @ 5 %		20	77
"	11	" Merchandise, Bo't of Lee & Brother, pr. Invoice		82	36
"	"	" Interest, Dis. on Bills Rec. No.2, pr. contra		19	18
"	12	" Expenses, Wages of Hands		15	25
"	"	" Do. Drayage			75
		<i>In Bank,</i>	10,122.45		
		<i>In Safe,</i>	65.78		
			\$10,188.23		
				5,208	10
"	14	" Interest, Dis. 5 % on Sale to R. Jones, 8th inst., \$37.80, pr. contra		1	89
"	"	" Albert A. White, On %		50	00
"	"	" Merchandise, Bo't of Jarvis & Roe, pr. Invoice		622	18
"	15	" Expenses, Letter Paper & Stationery		15	56
"	"	" Do. Gas Fixtures		4	75
"	16	" Bradbury & Beach, Remitted to them this day Brown & Brother's Draft on Halstead & Co., N. Y.		1,520	10
"	"	" Interest, Paid ½ % prem. on above Draft		1	90
"	"	" Expenses, Freight pr. America from N. Y.		4	12
"	"	" Bills Payable, Discounted our Note No. 3, due Aug. 6th, proximo		825	00
"	18	" Jones, Fithian & Co., Paid Protest on Note No. 4		1	38
"	19	" Interest, Dis. on Bills Rec. No.6, pr. contra		20	77
"	"	" Expenses, Repairing Look			25
"	"	" Do. Wages of Hands		14	50
		<i>In Bank,</i>	8,300.00		
		<i>In Safe,</i>	4.04		
			\$8,304.04		
				8,285	50
"	21	" Merchandise, Bo't of J. Walters, pr. Invoice		21	40
"	"	" Edwin Ellsworth, On %		60	00
"	"	" Walter Comstock, " "		15	00
"	22	" Albert A. White, " "		25	00
"	"	" Expenses, Drayage & Labor		12	75
				Am't forward	
				8,419	65

CASH-BOOK, SET VI.

*Dr.**Cash.*

1852.			Am't Bro't forward	16,889	54
June	23	To Merchandise,	Sales this day	37	12
"	25	" Do.	Of G. Lundy & Co., for Sales of 3d inst., at Net Cash price	775	55
"	26	" Do.	Sales this day	167	00
				17,869	21
"	28	" Do.	Of Alsop & Bolder, for Sale of 26th inst., less Dis. pr. contra	834	12
"	29	" Do.	Sales this day	66	00
"	30	" Thompson & Haines, On %		150	00
"	"	" Jones, Fithian & Co., In full for Note No. 4, due on the 16th inst., and for Protest		101	38
"	"	" Interest,	On above, \$101.38, to date		20
				18,520	91
1852.					
July	1	To Balance from June 30th		9,659	22

CASH-BOOK, SET VI

2

Cash.

Cr.

1852.			Am't Bro't forward	8,419	65
June	23	By Expenses,	Circulars	5	50
"	"	" Do.	Carpentering	9	12
"	"	" Merchandise,	Sundry Small Bills	13	28
"	26	" Expenses,	Wages of Hands	20	00
			<i>In Bank,</i> 9,380.80 } <i>In Sq/b,</i> 51.16 } \$9,401.66		
				8,467	55
"	28	" Interest,	Dis. on Sale to Alsop & Bolder	16	71
		of 26th inst., \$334.12, @ 5 %		20	00
"	"	" Edwin Ellsworth,	On %	5	00
"	"	" Walter Comstock,	" "	125	64
"	29	" Merchandise,	Bill of Lehman & Co.	131	00
"	"	" Do.	" " Davis & Starr	3	29
"	30	" Expenses,	Postage pr. Memorandum	80	00
"	"	" Do.	Rent of Store to July 1st	12	50
"	"	" Do.	Wages of Hands	8,861	69
			<i>In Bank,</i> 9,640.00 } <i>In Sq/b,</i> 19.23 }	9,659	22
"	"	" Balance to New %		18,520	91

Bills

No. of Note.	When Rec'd.		Drawer.	In whose favor.	Date of Note.		Time.
	1852.						
1	June	5	Myers, Loomis & Bacon	Ourselves	1852.		
2	"	8	Turner & Morrison	"	June	5	6 mos.
3	"	9	Larkin, Tufts & Co.	"	"	8	6 "
4	"	12	Reeves & Co.	Jones, Fithian & Co.	"	9	6 "
5	"	15	Cushman & Webster	Cushman & Webster	May	16	30 days
6	"	16	Franklin Bates	Drawer	June	15	6 mos.
7	"	21	"	"	"	16	6 "
8	"	23	Myers, Loomis & Bacon	Ourselves	"	21	6 "
9	"	26	Turner & Morrison	Drawer	"	23	6 "
					"	26	6 "

Bills

No. of Note.	When issued.		Drawer.	In whose favor.	Date of Note.		Time.
	1852.						
1	June	2	Ourselves	Drawer, (% of A. L. & Co.)	1852.		
2	"	4	"	" " " "	June	2	3 mos.
3	"	"	"	R. G. Shaw & Son	"	4	3 "
4	"	11	"	" " "	"	"	60 days
5	"	15	"	Drawer, (% of A. L. & Co.)	"	11	30 "
6	"	19	"	R. G. Shaw & Son	"	15	4 mos.
7	"	28	A. Lawrence & Co.	Accepted by us in favor of the Drawer	"	19	4 "
					"	28	6 "

Receivable.

Where due.	When due.												Amount.	Remarks.
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.		
Boston												8	637 13	
"												11	639 25	Discounted June 11th
Bay State Bank												12	614 25	
" " "						18							100 00	{ Dis. ent'd in Jour. Protested 18th inst.
" " "												18	413 50	
" " "												19	692 40	Discounted June 19th
" " "												24	186 63	
Bank of Albany												26	168 75	
Troy Bank												29	490 20	
													3,942 11	

Payable.

Where due.	When due.												Amount.	Remarks.
	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.		
Bay State Bank									5				5,000 00	{ Purchases \$9,250.40 Cash 4,250.40
" " "									7				210 46	
Boston								6					825 00	Discounted June 16th
"						14							210 50	
Bay State Bank									18				661 37	
Boston									22				3,462 25	
Bay State Bank												31	920 14	
													11,289 72	

SALES BOOK, SET VI.

Boston, June 2d, 1852.

✓	Jeremiah Wilson & Co.	32' 32				
	8 Ps. Fig'd Alpacca	29 33 30 30 31 29	248 Yds. @ 30	74 40		
	2 " Plaid Do.	30 30 30 30	60 " 41	24 60		99 00
	2d					
Paid	David Elms,					
	4 Barège Shawls		@ 5.00	20 00		
	"					
✓	Thompson & Haines, (6 mos.)	Worcester.				
	5 Ps. Cashmere d'Eoese	123 3/4 Yds. @ 60		73 50		
	8 " Mouseline de Laine	243 " 50		121 88		195 38
	3d					
Paid	Ezekiel Williamson & Co.	Salem.				
	6 Ps. Gros d'Afrie	495 Yds. @ 82		405 90		
	Discounted 5 % for Cash.			20 29		
	"			385 61		
Paid	George Lundy & Co.					
25th	2 Ps. Col'd Gros de Levant	147 3/4 Yds. @ 90		132 75		
	10 " Bl'k Alpacca	320 " 47 3/4		152 00		
	20 " Col'd Do.	610 " 45		274 50		
	6 " Olive Fr. Merino	250 " 75		187 50		
	6 " Blk Paris Crape	72 " 40		28 80		775 55
	"					
Paid	Cash Sales,					
	1 Doz. Ladies' Kid Gloves			7 25		
	4th					
✓	Solomon & Brother,	(6 mos.)				
	5 Ps. Italian Lustring	405 Yds. @ 80				324 00
	"					
Paid	Cash Sales,					
	1 Doz. Cashmere Scarfs			28 00		
	"					
✓	Gregory, Lewis & Co.,	North Adams.				
	5 Ps. White Paris Crape	60 Yds. @ 45		27 00		
	8 " Blue Do. Do.	96 " 50		48 00		75 00
	Am't forward					693 38

SALES-BOOK, SET VI.

2

Boston, June 5th, 1852.

✓	Myers, Loomis & Bacon, (Note pr. B.B.) Al. N.Y.			693 38
	10 Ps. Super Balsarine	555 Yds. @ 55	805 25	
	20 " Barège	885 " 37 ²	331 88	637 13
	7th			
✓	Gregory, Lewis & Co.,	North Adams.		
	1 Light Silk Shawl		9 00	
	12 Ps. Irish Linen	144 Yds. @ 80	115 20	
	4 " Mull Muslin	48 " 30	14 40	138 60
	8th			
Paid	Cash Sales,			
	1 Doz. Elastic Mitts		4 25	
	"			
✓	Turner & Morrison, (Note pr. B.B.) Troy, N.Y.			
	10 Light Silk Shawls	@ 10.00	100 00	
	14 Barège Do.	4.50	63 00	
	16 Cashmere Do.	7.50	120 00	
	10 Broché Do.	12.00	120 00	
	12 Embroidered Thibet Shawls	10.50	126 00	
	8 Plain Do. Do.	7.50	60 00	
	6 Do. Do. Do. wool fringe	4.00	24 00	
	7 Do. Blk Do. Do. " "	3.75	26 25	639 25
	"			
Paid	Robert Jones,			
14th	1 Ps. Blk. Fr. Merino	52 ² Yds. @ 72		37 90
	9th			
✓	Larkin, Tufts & Co., (Note pr. B.B.) Conc'd, N.H.			
	10 Ps. Shusan	330 Yds. @ 20	66 00	
	10 " Crape de Laine	337 ² " 28	94 50	
	6 " Green Fr. Merino	295 " 65	191 75	
	5 " Drab Do. Do.	220 " 72 ²	159 50	
	5 " Blk Eng. Do.	205 " 50	102 50	614 25
	"			
Paid	Trevor & Lewis,			
10th	30 Ps. Assorted Alpaca	923 Yds. @ 45		41 25
	"			
Paid	Bryant & Son,			
	8 Broché Shawls	@ 10.00	80 00	
	Am't forward			2,722 61

SALES-BOOK, SET VI.

Boston, June 10th, 1852.

Paid	T. Walker, 1 Ps. Linen Cambric			2,722 61
	_____ 12th _____			14 00
✓	Solomon & Brother, (net.) 16 Embroidered Thibet Shawls @ 9.00	144 00		
	4 Ps. Swiss Muslin 48 Yds. @ 38	18 24		
	10 " Jaconet Do. 120 " 40	48 00		
	10 " French Lawn 300 " 35	105 00	315 24	
	_____ " _____			
✓	Jones, Fithian & Co., (Note of Reeves & Co. pr. B. B., & Cash.) 12 Cashmere Scarfs @ 2.50	30 00		
	20 Barège Do. 2.00	40 00		
	3 Ps. Bandana H'dk'fs 7.25	21 75		
	1 " Blk. French Satin 65 Yds. @ 1.00	65 00	156 75	
	_____ 14th _____			
Paid	Cash Sales, 5 Ps. Blk. Lustring 361' Yds. @ 80	289 00		
	_____ 15th _____			
Paid	Selah Hart, 6 Doz. Prs. Blk. Kid Gloves @ 7.25	43 50		
	4 " " Light Do. Do. 7.00	28 00	71 50	
	_____ " _____			
Paid	Cash Sales, 2 Doz. Prs. Light Net Gloves	9 00		
	_____ " _____			
✓	Cushman & Webster, (Note pr. B. B.) Salem. 6 Ps. Linen Cambric 72 Yds. @ 1.30	93 60		
	10 " Col'd Florence 926' " 32	296 40		
	4 Doz. Prs. 1/2 Fing'd Mitts 3.75	15 00		
	2 " " Elastic Do. 4.25	8 50	413 50	
	_____ 16th _____			
✓	Franklin Bates, (Note pr. B. B.) Lowell. 10 Ps. Col'd Florence 926' Yds. @ 32	296 40		
	50 " Ass'd Persians 1,031' " 20	206 25		
	3 " Poul't de Soie 225 " 75	168 75		
	6 " Pongee H'dk'fs 3,50	21 00	692 40	
	Am't forward		4,300 50	

SALES-BOOK, SET VI.

4

Boston, June 18th, 1852.

Paid	Clark & Co.,				4,300 50
	1 Ps. Blk. Silk Velvet	22 ³ Yds. @ 3.00	67 50		
	19th				
Paid	Thomas Jones,				
	1 Doz. Barège Scarfs		24 00		
	21st				
✓	Franklin Bates, (Note pr. B.-B.)	Lowell.			
	3 Ps. Fig'd Gros de Nap	189 Yds. @ 67	126 63		
	10 " Choppas H'dk'fs	6.00	60 00	186 63	
	23d				
✓	Myers, Loomis & Bacon, (Note pr. B.-B.)	AL.N.Y.			
	2 Ps. Col'd Poul't de Soie	155 Yds. @ 75	116 25		
	15 " Pongee H'dk'fs	3.50	52 50	168 75	
	"				
Paid	Cash Sales,				
	4 Ps. Crape de Laine	142 ³ Yds. @ 26	37 12		
	25th				
✓	Larkin, Tufts & Co.,	Concord, N. H.			
	4 Ps. Fig'd Gros de Nap	320 Yds. @ 72	230 40		
	3 " Bl'k. Bombazine	77 ³ " 1.00	77 50	307 90	
	26th				
Paid	L. M. Oviatt,				
	4 Ps. Col'd Marcelline	300 Yds. @ 48	144 00		
	"				
Paid	Alsop & Bolder,				
28th	4 Ps. Bl'k. Satin Vesting	121 ³ Yds. @ 2.75			334 12
	"				
Paid	Cash Sales,				
	4 Ps. Black Crape		23 00		
	"				
✓	Turner & Morrison, (Note pr. B.-B.)	Troy, N.Y.			
	15 Doz. Bl'k. Italian Cravats	^{Doz. &} @ \$12. 15. 18.	225 00		
	6 Thibet Shawls	@ 6.70	40 20		
	5 Ps. Bl'k. Silk Vesting	112 ³ Yds. @ 2.00	225 00	490 20	
	Am't forward				5,453 98

SALES-BOOK, SET VI.

Boston, June 28th, 1852.

✓	Cushman & Webster,	(6 mos.)	Salem.			5,453 98
	3 Ps. Blk. Silk Velvet	70 Yds. @ 3.15		220 50		
	2 " " " Serge	255 " 1.00		255 00		
	3 " German Merino	133' " 80		107 00		582 50
	—28th—					
✓	Solomon & Brother,	(6 mos.)				
	4 Ps. Fig'd Gros de Levant	310 Yds. @ 1.00		310 00		
	7 " Col'd Marcelline	576 " 44		253 44		563 44
	—29th—					
Paid	Cash Sales,					
	6 Ps. Col'd Fig'd Alpaca	165 Yds. @ 40		66 00		
	—30th—					
✓	Thompson & Haines,	(6 mos.)				
	2 Ps. Blk. French Satin	140 Yds. 1.10		154 00		
	1 " Col'd Gros de Levant	75 " 1.00		75 00		
	2 lbs. Blue Blk. Italian Sewing Silk	12.00		24 00		253 00
	Total sales on time for the month					6,852 92

JOURNAL, SET VI.

1

Boston, June 1st, 1852.

L.F.	1	Merchandise To Sundries,			
	1	To Albert A. White, Invested pr. Invoice	625	30	
	1	" Edwin Ellsworth, " " "	1,111	44	1,736 74
		12th			
2	2	Jones, Fithian & Co. To Interest,			
	2	For Discount on Note of Reeves & Co., for			
		\$100, due 18th inst., Rec'd of them this day,			
		as pr. B.-B., in part for Sales, pr. S.-B.			10
		18th			
2	1	Jones, Fithian & Co. To Bills Receivable,			
	1	The Note of Reeves & Co., No. 4, falling due			
		this day, was protested for non-payment.			
		(Guaranteed by J., F. & Co.)			100 00
		24th			
3	3	Cushman & Webster To Gregory, Lewis & Co.			
	3	Order of C. & W., on us, favor of G., L. & Co.			150 00
		30th			
2	3	Expenses To Walter Comstock,			
	3	Wages for one month			60 00
		"			
1	1	Merchandise To Sundries,			
		Purchases this month, pr. Invoices.			
3	3	To A. Lawrence & Co., Note @ 3 mos. & Cash, 2d	9,250	40	
		" " " " 3 " 4th	210	46	
		" " " " 4 mos. 15th	661	37	
		" " " " 6 mos. 28th	920	14	11,042 37
3	3	" R. G. Shaw & Son, Note @ 60 days, 4th	825	00	
		" " " " 30 " 11th	210	50	
		" " " " 4 mos. 19th	3,462	25	4,497 75
4	4	" Bradbury & Beach, N. Y.—Draft, 10th	1,520	10	
		" " " —3 mos. 29th	412	82	1,932 92
4	4	" Chambers & Nephew, 2 mos. 18th			2,824 16
4	4	" G. W. & M. Parvin, 4 mos. 25th			1,014 02
		"			21,311 22
1	1	Cash To Sundries, Receipts pr. C.-B.			
	1	To Albert A. White, 1st			6,874 70
	1	" Edwin Ellsworth, "			6,388 56
2	2	" Interest, 2d	127	51	
		" " 16th	7	01	
		" " 30th		20	134 72
		Entry continued			13,397 98

Boston, June 30th, 1852.

	Cash	To Sundries,	(continued)			13,397 98
1	To Merchandise,		2d	20 00		
	"	"	3d	392 86		
	"	"	4th	28 00		
	"	"	8th	4 25		
	"	"	9th	80 00		
	"	"	10th	415 35		
	"	"	"	14 00		
	"	"	14th	37 80		
	"	"	"	289 00		
	"	"	16th	80 50		
	"	"	18th	67 50		
	"	"	19th	24 00		
	"	"	23d	37 12		
	"	"	25th	775 55		
	"	"	26th	167 00		
	"	"	28th	884 12		
	"	"	29th	66 00	2,833 05	
4	" Thompson & Haines,		2d	100 00		
	" "		30th	150 00	250 00	
4	" Solomon & Brother,		5th	250 00		
	" "		21st	300 00	550 00	
1	" Bills Receivable,		11th	639 25		
	" "		19th	692 40	1,331 65	
2	" Jones, Fithian & Co.,		12th	56 85		
	" "		30th	101 38	158 23	
		30th			18,520 91	
1	Sundries To Cash,	Payments pr. C.-B.				
3	Abbott Lawrence & Co.,		2d		4,250 40	
1	Merchandise,		3d	725 64		
	"		11th	82 36		
	"		14th	622 18		
	"		21st	21 40		
	"		23d	13 28		
	"		29th	125 64		
	"		"	131 00	1,721 50	
2	Expenses,		3d	24 50		
	"		4th	2 25		
	"		5th	15 25		
	"		8th	23 50		
	"		"	13 25		
	"		12th	15 25		
		Entry continued		94 00	5,971 90	

Boston, June 30th, 1852.

L. F.	Sundries Expenses,	To Cash,	(continued)	94 00	5,971 90
				12th 75	
	"		15th	15 56	
	"		"	4 75	
	"		16th	4 12	
	"		19th	25	
	"		"	14 50	
	"		22d	12 75	
	"		23d	5 50	
	"		"	9 12	
	"		26th	20 00	
	"		30th	8 29	
	"		"	80 00	
	"		"	12 50	277 09
3	Walter Comstock,		7th	10 00	
	"		21st	15 00	
	"		28th	5 00	30 00
2	Interest,		10th	20 77	
	"		11th	19 18	
	"		14th	1 89	
	"		16th	1 90	
	"		19th	20 77	
	"		28th	16 71	81 22
1	Albert A. White,		14th	50 00	
	"		22d	25 00	75 00
4	Bradbury & Beach,		16th		1,520 10
2	Bills Payable,		"		825 00
2	Jones, Fithian & Co.,		18th		1 38
1	Edwin Ellsworth,		21st	60 00	
	"		28th	20 00	80 00
		30th			8,861 69
1	Bills Receivable To Sundries, Rec'd pr. B.-B.				
5	To Myers, Loomis & Bacon,		5th	637 13	
	"		23d	168 75	805 88
5	" Turner & Morrison,		8th	639 25	
	"		26th	490 20	1,129 45
5	" Larkin, Tufts & Co.,		9th		614 25
2	" Jones, Fithian & Co.		12th		100 00
3	" Cushman & Webster,		15th		413 50
5	" Franklin Bates,		16th	692 40	
	"		21st	186 63	879 03
					3,942 11

Boston, June 30th, 1852.

2	Sundries To Bills Payable, Issued pr. B.-B.				
3	Abbott Lawrence & Co.,	2d	5,000	00	
	"	4th	210	46	
	"	15th	661	37	
	"	28th	920	14	6,791 97
3	R. G. Shaw & Son,	4th	825	00	
	"	11th	210	50	
	"	19th	3,462	25	4,497 75
	30th				11,289 72
1	Sundries To Merchandise, Sales pr. S.-B.				
5	Jeremiah Wilson & Co.,	2d			99 00
4	Thompson & Haines,	"	195	38	
	"	30th	253	00	448 38
4	Solomon & Brother,	4th	324	00	
	"	12th	315	24	
	"	28th	563	44	1,202 68
3	Gregory, Lewis & Co.,	4th	75	00	
	"	7th	138	60	213 60
5	Myers, Loomis & Bacon,	5th	637	13	
	"	23d	168	75	805 88
5	Turner & Morrison,	8th	639	25	
	"	26th	490	20	1,129 45
5	Larkin, Tufts & Co.,	9th	614	25	
	"	25th	307	90	922 15
2	Jones, Fithian & Co.,	12th			156 75
3	Cushman & Webster,	15th	413	50	
	"	28th	582	50	996 00
5	Franklin Bates,	16th	692	40	
	"	21st	186	63	879 03
					6,852 92

TRIAL BALANCE, LEGER, SET VI.

		Dr.	Cr.
L. F.			
3	Cushman & Webster - - -	732 50	
3	Gregory, Lewis & Co. - - -	63 60	
4	Thompson Haines - - -	198 38	
4	Solomon & Brother - - -	652 68	
5	Larkin, Tufts & Co. - - -	307 90	
5	Jeremiah Wilson & Co. - - -	99 00	
	Personal $\frac{a}{c}$ having balances due firm	2,054 06	
3	Walter Comstock - - -		30 00
4	Bradbury & Beach - - -		412 82
4	Chambers & Nephew - - -		2,824 16
4	G. W. & M. Parvin - - -		1,014 02
	Personal $\frac{a}{c}$ having balances firm owe		4,281 00
1	Albert A. White - - -		7,425 00
1	Edwin Ellsworth - - -		7,420 00
1	Cash - - -	9,659 22	
1	Merchandise - - -	15,083 49	
1	Bills Receivable - - -	2,510 46	
2	Bills Payable - - -		10,464 72
2	Interest - - -		53 60
2	Expenses - - -	337 09	
	Personal $\frac{a}{c}$ due firm - - -	2,054 06	
	Personal $\frac{a}{c}$ firm owe - - -		4,281 00
		29,644 32	29,644 32

This Trial Balance, it will be seen, is made out in a different manner from preceding ones. It is so done to show how personal accounts, which in real business are almost always numerous, may be brought within a sufficiently small space, so that Balance Sheets and similar exhibits can be easily made.

The third division, commencing with the partners' names, is all that will be required in making out your Balance Sheet.

I will omit the Inventory-Book, as you have had sufficient examples already given.

The amount of merchandise remaining unsold, June 30th, 1852, is \$16,241.64.

STATEMENTS, SET VI.

The total gains in this business have been	\$1,211.75
" " losses " " " "	499.69

Making the firm's net gains	712.06
-----------------------------	--------

Each partner's share of net gains is $\frac{1}{4}$ of \$712.06 = \$356.03.

STATEMENTS (*continued*).

The total assets at closing are	-	-	-	-	-	-	\$30,302.78
" " liabilities " "	-	-	-	-	-	-	14,745.72
Making the firm's net capital	-	-	-	-	-	-	<u>\$15,557.06</u>

Albert A. White invested at commencing	-	-	-	-	-	\$7,500.00
He has drawn out for private use	-	-	-	-	-	75.00
Leaving the credit balance	-	-	-	-	-	7,425.00
Add his $\frac{1}{2}$ net gains, as above	-	-	-	-	-	356.03
His net capital is	-	-	-	-	-	<u>\$7,781.03</u>

Edwin Ellsworth invested at commencing	-	-	-	-	-	\$7,500.00
He has drawn out for private use	-	-	-	-	-	80.00
Leaving the credit balance	-	-	-	-	-	7,420.00
Add his $\frac{1}{2}$ net gains, as above	-	-	-	-	-	356.03
His net capital is	-	-	-	-	-	<u>\$7,776.03</u>

Albert A. White's net capital or present worth	-	-	-	-	-	\$7,781.03
Edwin Ellsworth's " " " " "	-	-	-	-	-	7,776.03
Firm's net capital, as above	-	-	-	-	-	<u>\$15,557.06</u>

Therefore :

In a partnership business, where both the partners invest capital, and both draw out for private use, and they do a gaining business,

Deduct total losses from total gains—to find firm's net gains.

Divide firm's net gains according to the original agreement—to find each partner's net gains.

Deduct total liabilities from total assets—to find firm's net capital.

Add each partner's net gains to the credit balance of his account—to find his net capital at closing.

Add the net capital of the two partners together—to find the firm's net capital—which must agree with the difference between the firm's assets and liabilities.

AUXILIARY BOOKS.

SET VI, DOUBLE ENTRY.

CHECK-BOOK,	 	ACCOUNT-CURRENT-BOOK,
INVOICE-BOOK,	 	LETTER-BOOK.

BANK-BOOK, AND CHECK-BOOK.

BANK-BOOK.

This is a small memorandum book given by banks to individuals who deposit funds with them. The deposits made in bank are entered in it by the receiving clerk, at the time of deposit; and about once a month a clerk of the bank enters the amounts that have been checked out, and balances the book. This is called writing up and balancing.

Notes and drafts lodged with the bank for collection are noted inside the money column, but not extended. When collected they form a deposit in bank, and are extended; but if protested for non-payment, a stroke of the pen is made through the figures, and they are not extended. If the note or draft does not fall due before the time of writing up and balancing, instead of an extension a new entry must be made when collected.

No Bank-Book is given with Set VI, since the form is so simple as not to require it.

CHECK-BOOK.

This is a printed book of blank checks, with a broad margin, in which is noted deposits made in bank. Whenever it is wished to draw out funds from the bank, one of these blank checks is filled and torn off, and a memorandum of it also made in the margin.

By adding all sums deposited, and subtracting all sums withdrawn or checked out, the amount remaining in bank is always readily seen, and must agree with the balance of the Bank-Book when that book is written up and balanced.

Notes and drafts deposited for collection are entered in this book when they are collected. Some make a memorandum of them at the time of deposit, but this is unnecessary, as the Bank-Book is the voucher for their having been left with the bank, and they do not form a real deposit upon which to draw until they are collected.

Houses doing business with more than one bank have a separate Check-Book for each.

I have given only a portion of the Check-Book for this Set.

NOTE.—The portion of this page occupied with the explanation of the Bank-Book and Check-Book constitutes properly a part of the Check-Book, being the back or blank side of the checks. When the checks are torn off, nothing remains in this book but the inner marginal memorandums.

1852.			
<i>June 1st.</i>			
<i>Dep. by A. A. White</i>		6,874	70
" " <i>E. Ellsworth</i>		6,388	56
		13,263	26
<i>Check No. 1</i>		4,122	89
		9,140	37
<i>June 2d.</i>			
<i>Deposited</i>		120	00
		9,260	37
<i>Check No. 2</i>		725	64
		8,534	73
<i>June 3d.</i>			
<i>Deposited</i>		350	00
		8,884	73
<i>Check No. 3</i>		24	50
		8,860	23
<i>June 5th.</i>			
<i>Deposited</i>		250	00
	<i>C.B.</i>	9,110	23
<i>June 10th.</i>			
<i>Dep. Check of Trevor & Lewis</i>		394	58
<i>June 11th.</i>			
<i>Dep. Check of Turner & Morrison, for \$620.07</i>			
<i>Cash</i>	79.93	700	00
		10,204	84
<i>Check No. 4</i>		82	36
	<i>C.B.</i>	10,122	48

CHECK-BOOK, SET VI.

No. 1.
Date. *June 2d /52.*

Favor of
A. Lawrence & Co.,
for *Medse.*

4,122 89

No. 2.

Date. *June 3d /52.*

Favor of
Hugo & Co.,
for *Medse.*

725 64

No. 3

Date. *June 3d /52.*

Favor of
Peter McKee,
for *Pore features.*

24 50

No. 4.

Date. *June 11th /52.*

Favor of
No. 4.
paid Lee & Brother,
for *Medse.*

82 36

Q

181

Boston, June 2d, 1852.

THE BAY STATE BANK,

Pay to *Abbott Lawrence & Co.,* or Bearer,
Four Thousand One Hundred & Twenty-two $\frac{89}{100}$ *Dollars.*

White & Ellsworth.

4,122 Dollars. 89 Cts.

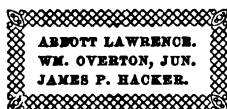
Form of Check,
when filled and
torn off.

INVOICE-BOOK, SET VI.

Boston, June 2d, 1852.

Messrs. White & Ellsworth

Bo't of Abbott Lawrence & Co.



Importers and Wholesale Dealers in Staple and
Fancy Dry Goods, Silks, Laces, Embroideries,
&c.,—51 Commercial Wharf.

Terms, Notes @ 3 mos.

12	Ps. Figured Alpacca,	372 Yds. @	26	96	72
12	" Plaid "	364 ^a	" 34	123	93
12	" Black "	370 "	31	114	70
24	" Fancy Col'd "	742 ^a	" 28	207	83
20	" Col'd Fig'd " Extra,	610 "	40	244	00
36	" Mous. de Laine, assorted,	1,107 "	41	453	87
30	" " " "	912 ^a	" 31 ^a	285	16
16	" Gros d'Afric, "	1,312 ^a	" 75	984	56
15	" Italian Lustring, "	1,231 "	" 72 ^a	892	47
50	" White Paris Crape,	600 "	40	240	00
25	" Blue " "	300 "	42	126	00
25	" Brown " "	300 "	41	123	00
12	" Col'd Fr. Merino, assorted,	498 ^a	" 60	299	10
12	" Blk. " "	485 "	50	242	50
34	Broché Shawls, Superfine,	10.00		340	00
50	" " "	8.00		400	00
25	" " "	7.50		187	50
30	Embroidered Thibet Shawls,	9.00		270	00
40	Plain " "	6.00		240	00
50	" " " " wool fringe,	3.00		150	00
20	" Blk. " " " "	2.75		55	00
35	Light Silk Shawls,	9.00		315	00
25	Cashmere " "	6.00		150	00
60	Barège " "	3.50		210	00
9	Ps. Blk. Silk Velvet,	210 Yds.	2.75	577	50
6	" Col'd " "	135 "	2.50	337	50
3	" " " " Extra,	66 ^a	" 4.50	299	25
6	" Blk. " Serge,	765 "	80	612	00
3	" " Fr. Satin,	210 "	1.00	210	00
6	" Fig'd Gros de Nap,	480 "	66 ^a	319	20
6	Doz. Prs. Blk. Kid Gloves,		6.37 ^a	38	25
6	" " Light " "		6.06	36	36
12	" " 1/2 Fing'd Mitts,		2.50	30	00
12	" " Elastic Do.		3.25	89	00
				\$9,250	40
Received their Note, @ 3 mos. from date, for Five thousand Dollars, and Cash for the balance, Four thousand two hundred and fifty ⁴⁰ / ₁₀₀ Dollars.					
\$9,250.40. ABBOTT LAWRENCE & Co.					

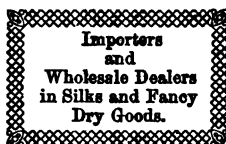
INVOICE-BOOK, SET VI.

2

Boston, June 3d, 1852.

Messrs. White & Ellsworth

Bo't of HUGO & CO.



No. 31 Milk St.

Terms, Cash.

20	Embroidered Thibet Shawls,	@ \$7.54	150	80
2	Doz. Cashmere Scarfs,	25.00	50	00
15	Ps. Bandana H'd'k'fs,	6.87	103	05
9	" Pongee "	3.31	29	79
14	" Super Balzerine, 784 Yds.,	.50	392	00
E. & O. E.			\$725	64
Received Payment,				
Hugo & Co.,				
pr. Lemuel Coffin.				

An *invoice* is a statement in detail of goods sold, shipped abroad, or consigned to another to be sold. When applied to goods sold, it is frequently called a *bill*, or *bill of sale*.

Whenever you purchase goods, the party of whom you buy makes out for you a bill of sale or invoice, and the Invoice-Book is used for taking copies of all such invoices of goods bought. But it is now the most customary way, instead of performing the labor of copying the invoices, to paste them into a blank Invoice-Book, prepared for the purpose. When the entry of goods purchased is made all at one time, at the close of each month, as in Set VI, the invoices may be preserved on file until they are entered in the Journal, and then pasted in the book in order of entry.

To save room, I have given but two of the invoices which occur in this Set; but those given are sufficient to show the method of making out invoices; and you can imagine details and fill up others for yourself, for practice.

N. B. Invoices of goods shipped abroad may be seen in my larger treatise, where shipping business is exemplified.

ACCOUNT-CURRENT-BOOK, SET VI.

Messrs. Solomon & Brother, in Account-Current and Interest-Account with White & Ellsworth,
to July 1st, 1852.

Date.	When due	Description of Debits.	Amount.	Mo.	Day.	Interest.	When due	Description of Credits.	Amount.	Mo.	Day.	Interest.
1852.	1852.						1852.					
June 4 Dec. 7	To Mdse. pr. Bill rendered	324 00			19	1 00	June 5	By Cash on %..	250 00		26	1 08
" 12 June 12	" " " "	315 24					" 21	" " "	300 00		10	50
" 28 Dec. 31	" " " "	563 44					July 1	" Dia. on \$324, pr. contra			6	* 8 42
	Credit Bal. of Int.					25 90	" "	" " \$563.44 "			6	* 16 90
			1,202 68			26 90	" "	Add Bal. of Int.	550 00			26 90
							" "	" Balance Carried down	25 90			
			1,202 68						626 78			
									1,202 68			
1852.												
July 1		To Bal. due us, E. E.	\$626 78									

The Account-Current-Book is used for preserving copies of account-currents rendered. An account-current, as will be seen by the formula given, is a detailed statement of business transactions, and may be made out with or without interest. Between houses of extensive dealing, an account-current is usually made out before settlement, by one of the parties, and frequently by both, for the adjustment of differences in interest, &c.

* These sums of discount are calculated precisely like interest. I have adopted this plan, because such is the usual course with business-men—although the real discount would be less.

LETTER-BOOK, SET VI.

Boston, June 2d, 1852.

Gentlemen,

Your communication of the 1st inst. is at hand, and we have this day forwarded, per Boston & Worcester Rail-Road, the parcel of goods therein ordered. Please find enclosed a bill of particulars.

Hoping that both quality and price may meet your approbation, we solicit your farther patronage; and shall endeavor at all times to make our business intercourse for your interest as well as our own.

We remain, Sir, with much respect,

Your Ob't servants,

To

Messrs. Thompson & Haines,
Worcester.

White & Ellsworth.

Boston, June 16th, 1852.

Messrs. Bradbury & Beach,
New York.

Gentlemen,—Agreeably to your instructions, we enclose a bill of exchange, drawn by Brown & Brothers on Halshead & Co., New York, in your favor, for Fifteen hundred and twenty $\frac{10}{100}$ Dollars, (\$1,520.10,) in full of your invoice to us of 10th inst.

Very Respectfully Yours,

White & Ellsworth.

This book is used for taking copies of all business letters of importance, written to others. Letters received are usually filed away. A business letter should be written in brief terms, and yet explicitly. To be well skilled in mercantile correspondence is no small acquirement.

ADDITIONAL AUXILIARIES.

In addition to the auxiliary books already given, there are several others of less importance, but still convenient and necessary in some branches of business; among which are the following—

ORDER-BOOK, for taking copies of all orders received for merchandise.

MEMORANDUM-BOOK, for noting down mercantile affairs of importance, that have occurred or are likely to occur.

EXPENSE-BOOK, for keeping an account in detail of those smaller expenses which are constantly occurring about an establishment.

POSTAGE-BOOK, for keeping an account of postages paid.

TIME-BOOK, for keeping the time of hands employed. See form below.

FORM OF TIME-BOOK.

September	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	1852.							Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Spinning-room No. 1.
	6	7	8	9	10	11	Tot'l	Wag's	Am't.	13	14	15	16	17	18	Tot'l	Wag's	Am't.	Remarks.	
Ann Robins	1	1	1	1	1	1	6	4.00	4 00	1	1	1	1	1	1	6	4.00	4 00	Good h'd	
Mary J. Linn	1	1	-	1	1	1	4	3.00	2 25	1	1	1	1	1	1	6	3.00	3 00	" "	
Anne Bowen	1	1	1	1	1	1	5	3.00	2 50	-	-	-	-	-	-	1	3.00	50	Sick	
Bet. S. Collins	1	1	1	1	1	1	5	3.50	2 92	1	1	1	1	1	1	6	3.50	3 50	Good h'd	
Susan Holt	1	1	-	1	1	1	4	3.50	2 62	1	1	1	1	1	1	5	3.50	2 92	" "	
Phoebe Martin	1	1	1	1	1	1	6	2.50	2 50	1	1	1	1	1	1	5	2.50	2 29	Slow	

Manufacturers generally make use of this book.

When hands are employed by the month, the columns for days may be increased in number to twenty-six, the number of working days in a month.

FORMS OF NOTES, DRAFTS, RECEIPTS, &c. 1

PROMISSORY NOTES.

\$225 $\frac{35}{100}$

Cincinnati, November 5th, 1852.

On demand, I promise to pay A. Farnum, or bearer, two hundred and twenty-five $\frac{35}{100}$ dollars, with interest. Value received.

No. 16.

Peter Lambert.

\$1,200.

New Orleans, November 2d, 1852.

Sixty days from date we promise to pay Blank & Boynton, at the City Bank, one thousand two hundred dollars, value received.

No. 30.

J. C. Smithson & Co.

No. 1,125.

Philadelphia, January 1st, 1853.

Eight months after date, we severally and jointly promise to pay, to the order of J. Durant, six hundred seventy-five and $\frac{50}{100}$ dollars, without defalcation, for value received.

\$675 $\frac{50}{100}$

Nathan Peterson,
J. W. Morris.

\$500.

No. 126.

Four months from date, for value received, I promise to pay to Charles Johnson, or order, five hundred dollars, in flour at the market value when due.

John Taylor.

Philadelphia, January 15th, 1853.

DUE BILL.

Due, Cincinnati, January 1th, 1853, to S. P. Long, or order, Thirty-five Dollars, in goods from our store. Value received.

\$35.

Boyle & Benedict.

\$5,000.

St. Louis, June 20th, 1852.

At thirty days' sight, pay to the order of F. H. Cossitt five thousand dollars, without defalcation or discount, value received, (payable at maturity in Missouri Bank funds,) and charge to account of

To Wm. Atkin,
Boonville, Mo. }

Wm. Rogers.

SET OF EXCHANGE.

Each. £900 Sterling.

Philadelphia, March 5th, 1853.

Sixty days after sight of this, our first of exchange, (second and third of the same tenor and date unpaid,) pay to the order of Lovering & Bache, in London, nine hundred pounds sterling, for value received, as pr. advice, for the account of

Clark & Co.

To Messrs. Barings & Co., London.

Each. £900 Sterling.

Philadelphia, March 5th, 1853.

Sixty days after sight of this, our second of exchange, (first and third of the same tenor and date unpaid,) pay to the order of Lovering & Bache, in London, nine hundred pounds sterling, for value received, as pr. advice, for the account of

Clark & Co.

To Messrs. Barings & Co., London.

Each. £900 Sterling.

Philadelphia, March 5th, 1853.

Sixty days after sight of this, our third of exchange, (first and second of the same tenor and date unpaid,) pay to the order of Lovering & Bache, in London, nine hundred pounds sterling, for value received, as pr. advice, for the account of

Clark & Co.

To Messrs. Barings & Co., London.

ORDERS.

3

Mr. James Park will please pay to the order of S. Ely, eighty dollars, in merchandise, on our account.

Wm. Hughes & Co.

Memphis, May 22d, 1852.

New Orleans, November 23d, 1852.

Messrs. Branch & Boynton:

Gentlemen—Please pay Messrs. Rogers & Co., or order, the fifty dollars due me for repairs of your store, and oblige

Yours, &c., S. Bridges.

RECEIPTS.

Received of Mr. J. S. Brown, three hundred dollars, on account.
Philadelphia, January 13th, 1853.

\$300.

J. M. Reynolds.

Received, St. Louis, December 4, 1852, of Messrs. Lifer & Phillips, seventy-five dollars, in full for all demands.

\$75.

R. M. Gibbs.

Received from Mr. A. C. Reyes, two hundred dollars, which is endorsed on his Note of June 5th, 1852.

\$200.

A. P. Martin.

Cincinnati, January 1st, 1853.

REMARKS ON NOTES, DRAFTS, &c.

PROMISSORY NOTES.—1st. If interest be not mentioned in a note, it is now generally conceded that it cannot be collected thereon. But if the time when the note falls due pass without its being paid, interest is recoverable from that date, and sometimes even damages.

2d. Custom, in this country, allows *three days grace* on all notes; but interest or discount is reckoned for *these three days*, the same as for any other time.

3d. Notes made payable at a particular place, must be demanded, or held in readiness, there, when due, before the maker can be held responsible at any other place. For example, a note payable at a particular bank must be deposited in said bank for collection.

4th. Some States require the words "Without defalcation" to be inserted in all notes to make them negotiable; others, "Without defalcation or discount;" while in others, again, it is sufficient to have the words "Or bearer," "Or order," or "To the order of."

DRAFTS.—1st. When a draft is accepted, it becomes a promissory note, and can afterward, with safety, be passed from hand to hand. For mode of acceptance, see Vocabulary.

2d. Drafts drawn payable at a certain bank must be deposited in said bank for collection. See remark 3d, under forms of notes.

3d. Drafts drawn "At sight" are usually paid at the time they are presented. All other drafts have *three days grace* allowed on them.

BILLS AND SETS OF EXCHANGE.—1st. A *bill of exchange* has nearly the same phraseology as a *draft*. But the former name is generally applied to a bill drawn payable in a foreign country or state, while the latter is restricted chiefly to a bill payable in some part of the country in which it is drawn. The remarks on drafts apply also to bills of exchange.

2d. *Set of exchange* is a term applied to several *bills of exchange*, each drawn payable, *provided the others remain unpaid*; so that whichever is first presented is paid, and the others are then void. The date of each is the same, and the phraseology also, with this exception—"First of exchange (second and third of the same tenor and date unpaid)"—"Second of exchange (first and third of the same tenor and date unpaid)," &c. Each bill of the set is sent by a different conveyance, as security against loss or inconvenience by miscarriage.

3d. Most foreign bills are now drawn through bankers, or brokers, and a "Set of exchange" is commonly spoken of as a "*Bill of exchange*," without regard to the distinction between a single bill and a set.

4th. When a bill of exchange is protested for non-acceptance or non-payment, and returned, the holder can recover the amount of the bill, and damages "consisting, besides interest, of the exchange or re-exchange, commission, postage, and expenses of protest, and interest on those expenses," from either the drawer or endorser, or, if accepted, the acceptor. Several of the States have special enactments upon the subject, allowing a certain percentage in addition to, or in lieu of, these damages.

5th. When an acceptance is *partial*, as to pay a part instead of the whole bill, or *qualified*, as to pay provided some future event occurs, notice of such partial or qualified acceptance should be given by the holder to the other parties to the bill, if he mean to resort to them in case of non-payment.

6th. A bill is sometimes drawn *at usance*, which means the usual time for payment allowed by the custom or law of the place where it is payable. The *usance* of Amsterdam, Rotterdam, Antwerp, Hamburg, and Bremen is 1 mo. after date; of Madrid and Gibraltar, 2 mos. after sight; of Leghorn, Genoa, Venice, and Naples, 3 mos. after date; of London, 60 days after sight; of Paris, Bordeaux, Malta, and Rio Janeiro, 30 days after date; of Dublin, 21 days after sight; of Dantzic, 14 days after date; of Leipsic, 14 days after acceptance.

7th. In most foreign countries, as in the United States, *days of grace* beyond the time when a bill becomes due are allowed for its payment. The *days of grace* in Great Britain are 3, except on bills drawn payable at sight, which must be paid as soon as presented. In Geneva they are 5; in Lisbon, Amsterdam, Antwerp, Rotterdam, Cadix, Venice, Oporto, and Rio Janeiro, 6; in Bremen, 8; in Dantzic, Paris, and Bordeaux, 10; in Altona and Hamburg, 12; in Malta, 13; in Madrid, Gibraltar, Barcelona, and Bilbao, 14; in Genoa, 30.

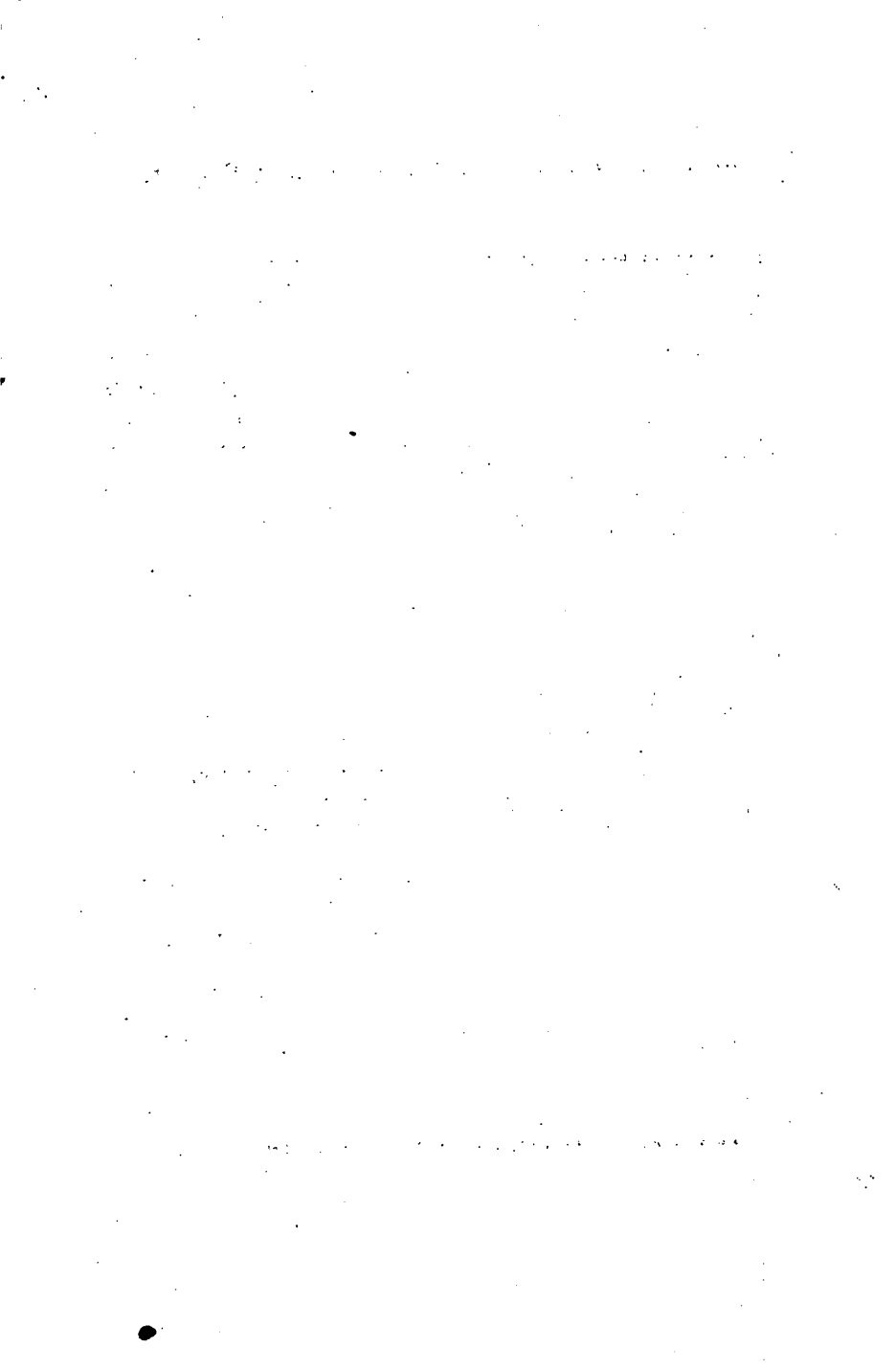
QUESTIONS FOR REVIEW, SET VI.

- By what appellation is the method of keeping accounts which is illustrated in Set VI known?
- For what business is Set VI designed?
- To what other kinds of business is a similar form of accounts well adapted?
- What are the important books of original entry?
- For what is the Journal used during the month?
- How often are the Cash-Book, Bill-Book, and Sales-Book journalized?
- What is the particular advantage in this monthly journalizing?
- What books in this Set would be used as evidence in courts of justice?
- Why is the Cash-Book always an important book?
- What does the debit side contain? What the credit?
- What should the difference between the two sides always show?
- With what should this balance of the Cash-Book agree at all times?
- For what purpose would a Cash-Book be kept, with Sets I to V inclusive?
- What other and more important office has it in Set VI?
- How often may the Cash-Book generally be balanced?
- How often will it be found convenient to balance it, as here used?
- With what must the monthly total *debit* footing of the Cash-Book (less the balance brought down at the commencement of each month) agree?
- With what must the total *credit* footing (less the balance at the close of each month) agree?
- How may you test the correctness of the Cash account, without a formal balance of the Cash-Book?
- Mention some transactions which require entries on both the debit and credit sides of the Cash-Book at the same time.
- With which of the hands employed is an account kept?
- How are the other hands treated?
- How are Bills Receivable and Bills Payable usually bound in the Bill-Book?
- What do two opposite pages of the blank-book constitute?
- When are other persons' notes to you entered in this book?
- When are your own notes to others entered therein?
- With what must the amount of unpaid notes held by you against others, as shown by this book, agree?
- With what must the amount of unpaid notes outstanding against you, as here shown, agree?
- How is the Bill-Book used in this Set?
- With what must the total of the Journal entry "Bills Receivable To Sundries" correspond?
- With what must the total of the entry "Sundries to Bills Payable" agree?
- What is the Sales-Book in this Set?
- What entries are made in it? When?
- What is done with the cash sales at the close of each day?
- How do you test the accuracy of the daily cash receipts?
- How are credit sales entered? How cash sales?
- How is an entry treated which has been extended into the outer column, and then paid before it is journalized?
- With what must the total of the Journal entry "Sundries To Merchandise" agree?
- What entries are placed in the Journal during the month?
- Where are purchases on credit entered? How, and when?
- What is the remaining and legitimate use of the Journal?
- Describe the mode and order in which you are to enter in the different books.
- Which book do you journalize first, at the end of the month?
- Describe the process of journalizing the debit side of the Cash-Book:—The credit side.
- What are the proper headings in journalizing the Bill-Book? What in journalizing the Sales-Book?
- For what purpose are the two columns for dollars and cents used?

QUESTIONS (*continued*).

- In posting entries journalized, what date do you use in the Leger?
In opening accounts in the Leger, what arrangement of them do you observe?
Why is this convenient?
Why is the Trial Balance in this Set made out differently from preceding ones?
Which is the only portion of it required in making your Balance Sheet?
What is the amount of merchandise unsold, June 30th, 1852?
What are the total gains in this business? Total losses? Net gains?
What is each partner's share of net gains?
What are the total assets at closing? Total liabilities? Firm's net capital?
What amount did each partner invest at commencing?
How much has been drawn out by White? What is his net capital?
How much has been drawn out by Ellsworth? What is his net capital?
In such a business as Set VI illustrates, how do you find the firm's net gains?
How, each partner's net gains? How, the firm's net capital? How, each partner's net capital? What is shown by adding together the net capital of the two partners—and with what must the amount agree?
What is the Bank-Book? By whom and when are deposits in bank entered in it? What is meant by writing up and balancing, and how often is it done?
How are notes and drafts deposited for collection entered? What is done when they are collected? What is done if they are protested for non-payment?
What is the Check-Book? What course is pursued when it is wished to draw funds from the bank? How is the amount remaining in bank ascertained?
With what must it agree? When is the entry made in this book of notes and drafts deposited for collection? How many Check-Books have houses when they do business with more than one bank?
What is an invoice? When applied to goods sold, what is it frequently called?
For what is the Invoice-Book used? What is now the customary way of preserving and entering invoices?
For what is the Account-Current-Book used? What is an account-current?
When is it made out?
For what is the Letter-Book used? How are letters which you receive treated?
Explain the Order-Book:—Memorandum-Book:—Expense-Book:—Postage-Book:—Time-Book.





Works on the English Language and English Literature.

1. THE FIRST BOOK OF ETYMOLOGY: designed to promote precision in the use, and to facilitate the acquisition of a knowledge of the English language. For beginners. By Joseph Thomas, M.D., &c. 12mo, pp. 261. This work is the first volume of a series of etymological class-books of which the remaining two volumes are named immediately below. Its leading features may be briefly stated thus:—

1. The nature of roots, prefixes, and suffixes, and the distinction between primitive and derivative, simple and compound words, are explained.

2. The prefixes and suffixes of Latin, Greek, and other origin are given, and their various meanings fully and clearly stated and explained.

3. Exercises are given, designed primarily to impress on the mind of the pupil the various meanings of the prefixes and suffixes, and also to introduce to the analysis of the words of our language generally.

4. The principal Latin, Greek, and other roots of our language, arranged in alphabetical order, are inserted; and under each is placed the more important English words derived therefrom, with the *literal* or *etymological* meaning, and the *proper* or *usually accepted* meaning of each derivative affixed to it.

5. A *Key* is appended, referring every English word in the preceding vocabulary to its appropriate Latin, Greek, or other root, and thus enabling the pupil who is wholly unacquainted with any language other than our native tongue to pursue the study of English etymology without difficulty.

6. Throughout the work distinctive kinds of type are used to designate clearly the particular portion of the definition of each English derivative corresponding with the root, prefix, and suffix, or such of them as compose the derivative; and copious notes are appended; by which, and the use of the distinctive types just referred to, the connection between the *literal* or *etymological* and the *proper* or *usually accepted* meaning of the English derivatives is traced and fully explained. These two important features, thus fully carried out, it is believed are peculiar to this work, and add much to its value.

2. THE CLASS BOOK OF ETYMOLOGY. By James Lynd, A.M. Revised edition, edited by Joseph Thomas, M.D. 12mo, pp. 348.

The contents of this volume are as follows, viz:—

1. Introductory Chapter, on the origin of language, and the rise and progress of the English language.

2. Chapter on prefixes and suffixes.

3. The Latin, Greek, and other roots of the English language arranged in alphabetical order, with a large proportion of the English words derived from each placed under it and defined, pp. 164.

This part of the work contains a considerably larger number of derivatives and roots than the corresponding part of "Thomas's First Book of Etymology."

4. Chapter on English words principally of Gothic origin, pp. 36.

This part contains about one thousand words of the class designated.

5. Chapter on English words derived from the Latin through the French, pp. 8.

This chapter is concise; but will be found valuable to the advanced pupil.

6. A carefully prepared table of English Synonymes, pp. 44.

Of essential value to the pupil engaged at composition.

7. The concluding chapter is a *Key*, referring each of the thirty thousand English derivative words contained in "Oswald's Etymological Dictionary," to its appropriate root.

3. AN ETYMOLOGICAL DICTIONARY OF THE ENGLISH LANGUAGE. By John Oswald. With a Prefatory Essay on Teaching English Composition in Schools and Academies, by J. M. Keagy, M.D. New edition, revised and enlarged by Joseph Thomas, M.D. To which is appended a *Key* referring the English words contained in the work to their appropriate Latin, Greek, or other roots. 12mo, pp. 599.

The contents of this work are briefly as follows:—

1. Introductory Chapter on the advantages resulting from the study of Etymology, &c. By the late Dr. J. M. Keagy. Pp. 26.
2. Chapter on the Latin, Greek, and other Prefixes and Suffixes of the English language. By Joseph Thomas, M.D. Pp. 38.
3. The Latin, Greek, and other roots of the English language, arranged in alphabetical order, and under each a full list of its English derivatives. Pp. 466.
The total number of the derivatives, in this part, is about thirty thousand.
4. A KEY, referring each of the thirty thousand English derivatives to its appropriate root. By James Lynd, A.M. Pp. 58.

To such teachers as have not given the subject of English etymology, as a branch of school instruction, mature consideration, the publishers would merely remark that in the Common or Public Grammar Schools of the largest cities of our country, and in many others, where classical studies and the study of the higher mathematics do not find place, the beneficial effects resulting from the introduction of this study, *in training the minds of the pupils to habits of analysis and generalization, and in imparting to them a thorough knowledge of their mother-tongue*, has been fully proved and admitted; and that in academies and other seminaries where classical studies are pursued, no trifling benefit has been found to result to the pupils from the pursuit of this study, not only from its leading to the habitual and thorough analysis of compound words, but *from its imparting a knowledge of the meaning of scientific terms*, which are derived from roots rarely found in the classics that are usually read in our schools and colleges.

4. HARRISON ON THE RISE, PROGRESS, AND PRESENT STRUCTURE OF THE ENGLISH LANGUAGE. 12mo, pp. 393. This work was not written “to order;” but is the production of a ripe scholar, who has given much patient research to the subject.

From numerous commendatory notices of the work by the Press, the few appended are given as expressing the views conveyed by them generally:—

“Rarely have we been more disappointed—favourably we mean—than by the examination of this handsome volume. Take it all in all, the volume before us contains more valuable, readable—yea, and entertaining—matter, than any work we have met with for many a day.”—*Boston Daily Evening Traveller*.

“A work of a class of which English literature has very few, and of which there is a necessity for very many....Mr. Harrison's book affords capital hints against lack of precision, and failure in effect....It is curious and entertaining enough to be put on the parlor table.”—*Literary World, New York*.

“We commend it to the favorable attention of the lovers of a language in which the cause of liberty is to be pleaded throughout the world.”—*N. Y. Observer*.

“Altogether the book is a delightful one. Designed mainly for schools and colleges, it will yet find its way into the libraries of men of letters and men of taste, and will do much to correct the growing faults of style in many modern writers. It is in every respect an admirable volume, which, for the sake of the language we love, we trust may have a very extensive circulation.”—*Evening Bulletin, Philadelphia*.

5. CLEVELAND'S COMPENDIUM OF ENGLISH LITERATURE. 11th Thousand. 12mo, pp. 776.

6. CLEVELAND'S ENGLISH LITERATURE OF THE NINETEENTH CENTURY. 12mo, pp. 746.

These two volumes by Mr. Cleveland contain biographical sketches of eminent Authors, chronologically arranged, and choice selections from their works, with notes explanatory, illustrative, &c. The first named comprises authors from the 14th to the 18th century; the second continues the series to the present time, comprising all who died within the present century, and living authors. The “Compendium” is extensively in use in Colleges, Academies, High Schools, and First Class Seminaries throughout the Union; the second volume, which is more recently published, has also met with the warm commendation and favor of teachers; and is being introduced rapidly into the seminaries using the “Compendium,” as their classes progress so as to require the sequel.

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